

## City Council Regular Meeting

### Regular Meeting

**Tuesday, January 17, 2023**

**6:00 PM**

**City Council Chambers and Zoom**



#### **ELECTED OFFICIALS**

**Mayor** Steve Napolitano

**Mayor Pro Tem** Richard Montgomery

**Councilmember** Joe Franklin

**Councilmember** Amy Howorth

**Councilmember** David Lesser

**City Treasurer** Tim Lilligren

#### **EXECUTIVE TEAM**

**City Manager** Bruce Moe

**City Attorney** Quinn Barrow

**City Clerk** Liza Tamura

**Finance Director** Steve Charelian

**Fire Chief** Michael Lang

**Human Resources Director** Lisa Jenkins

**Information Technology Director** Terry Hackelman

**Parks and Recreation Director** Mark Leyman

**Police Chief** Rachel Johnson

**Public Works Director** Erick Lee

**Acting Community Development Director** Talyn Mirzakhonian

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#### **MISSION STATEMENT:**

Our mission is to provide excellent municipal services,  
preserve our small beach town character, and enhance the quality of life for our  
residents, businesses and visitors.

## JANUARY 17, 2023

### CITY COUNCIL MEETING AGENDA PACKET:

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## MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

*By participating in City Council meetings, you are participating in the process of representative government. To encourage that participation, the City Council provides an early opportunity for public comments under "Public Comments," at which time speakers may comment on any matter within the subject matter jurisdiction of the City Council, including items on the agenda.*

*The City continues to offer an opportunity to participate in Council meetings via Zoom. The City Council encourages the public to participate by submitting comments in advance of the meeting, no later than **12:00 PM, January 17, 2023**, (the day of the meeting), via:*

- 1) eComment at <http://www.manhattanbeach.gov/ecomment>
- 2) email to [cityclerk@manhattanbeach.gov](mailto:cityclerk@manhattanbeach.gov) or
- 3) telephone message recorded at **(310) 802-5030**.

*All of your comments provided by the deadlines above will be available to the City Council and the public prior to the meeting.*

*In addition, you may participate by joining Zoom during the meeting. Instructions are provided on item G (Public Comments).*

*Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are available for review on the City's website at [www.manhattanbeach.gov](http://www.manhattanbeach.gov), the Police Department located at 420 15th Street, and are also on file in the Office of the City Clerk for public inspection. Any person who has any question concerning any agenda item may call the City Clerk's office at (310) 802-5056.*

*Meetings are broadcast live through Manhattan Beach Local Community Cable, Channel 8 (Spectrum), Channel 35 (Frontier), and live streaming via the City's website.*

*In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Office of the City Clerk at (310) 802-5056 (voice) or (310) 546-3501 (TDD). Notification 36 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting. The City also provides closed captioning of all its Regular City Council Meetings for the hearing impaired.*

## CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

*I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, state under penalty of perjury that this notice/agenda was posted on Wednesday, January 11, 2023, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.*

**BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED. THE RECOMMENDED COUNCIL ACTION IS LISTED IMMEDIATELY AFTER THE TITLE OF EACH ITEM IN BOLD CAPITAL LETTERS.**

**PLEASE NOTE THAT THE CITY COUNCIL MAY ACT ON ANY ITEM LISTED ON THE AGENDA.**

**A. CALL MEETING TO ORDER**

**B. PLEDGE TO THE FLAG**

**C. ROLL CALL**

**D. CEREMONIAL CALENDAR**

- 1. Presentation of Recognition Awards for Longstanding Local Businesses (Finance Director Charelian). [23-0037](#)  
**PRESENT**

Attachments: [PowerPoint Presentation](#)

**E. APPROVAL OF AGENDA AND WAIVER OF FULL READING OF ORDINANCES**

*This is the time for the City Council to:*

- (a) notify the public of any changes to the agenda;*
- (b) remove items from the consent calendar for individual consideration; or*
- (c) rearrange the order of the agenda.*

*MOTION TO APPROVE AGENDA AND WAIVE FULL READING*

**F. CITY COUNCIL AND COMMUNITY ORGANIZATION ANNOUNCEMENTS OF UPCOMING EVENTS (1 MINUTE PER PERSON)**

*City Councilmembers and community organization representatives may inform the public about upcoming events.*

**G. PUBLIC COMMENTS (3 MINUTES PER PERSON)**

Speakers may provide public comments on any matter that is within the subject matter jurisdiction of the City Council, including items on the agenda. The Mayor may determine whether an item is within the subject matter jurisdiction of the City Council. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda.

The City Council encourages the public to participate by submitting comments in advance of the meeting, no later than **12:00 PM, January 17, 2023**, (the day of the meeting), via:

- 1) eComment at <http://www.manhattanbeach.gov/ecomment>
- 2) email to [cityclerk@manhattanbeach.gov](mailto:cityclerk@manhattanbeach.gov) or
- 3) telephone message recorded at **(310) 802-5030**.

All of your comments provided by the deadlines above will be available to the City Council and the public prior to the meeting.

**IN PERSON PUBLIC PARTICIPATION**

Please complete the "Request to Address the City Council" card by filling out your name, city of residence, the item(s) you would like to offer public comment, and returning it to the City Clerk.

**NOON PUBLIC PARTICIPATION**

If you wish to speak on any item on the agenda, please register in advance by clicking the following link: <https://citymb.seamlessdocs.com/f/publiccomment>, even when submitting this request you will need to use the "raise hand" feature via Zoom during the presentation of that Agenda Item in order to confirm with the City Clerk's Office that you wish to provide comments.

- 1) Join Zoom Meeting via the internet:

Direct URL: <https://citymb-info.zoom.us/j/93376200363>, Meeting ID: 933 7620 0363

During the meeting you will need to use the "raise hand" button through Zoom at the time the Agenda Item is being presented for City Council consideration.

- 2) Join Zoom Meeting via Phone Conference (Voice Only):

**Phone Number: (669) 900-6833, Meeting ID: 933 7620 0363**

During the meeting you will need to enter \*9 on the phone's dial pad to "raise your hand" at the time the Agenda Item is being presented for City Council consideration.

Please note, the City is not responsible for the public's use of Zoom as it relates to the software, configuration, and setting on a personal device. The public is encouraged to visit the Zoom website for information on use of this software. The City's use of Zoom is consistent with the platform features and functions as described on the Zoom.

## H. CONSENT CALENDAR (APPROVE)

Items on the Consent Calendar are routine and customary items and are enacted by a single motion with the exception of items previously removed by a member of the City Council during "Approval of the Agenda" for individual consideration. Any items removed shall be individually considered immediately after taking action on the Consent Calendar.

2. City Council Minutes: [23-0002](#)  
This Item Contains the City Council Regular Meeting Minutes of January 3, 2023 (Cancelled) (City Clerk Tamura).

**APPROVE**

Attachments: [City Council Regular Meeting Minutes of January 3, 2023 \(Cancelled\)](#)

3. Financial Reports: [23-0003](#)  
a) Schedule of Demands December 8, 2022, December 15, 2022, December 22, 2022, December 29, 2022  
b) Investment Portfolio for the Month Ending November 30, 2022  
c) Month End Report for November 30, 2022  
(Finance Director Charelian).

**ACCEPT REPORTS AND DEMANDS**

Attachments: [Schedule of Demands December 8, December 15, December 22 and December 29, 2022](#)  
[Investment Portfolio for the Month Ending November 30, 2022](#)  
[Month End Report for November 30, 2022](#)

4. Status Update on Fiscal Year 2022 - 2023 Chamber of Commerce Work Plan Contract (City Manager Moe). [23-0004](#)

**RECEIVE REPORT**

Attachments: [Semi Annual Work Plan Progress/Update \(Provided by Chamber of Commerce\)](#)  
[Agreement - Chamber of Commerce \(2022\)](#)

5. a. Second Reading and Adoption of Ordinance No. 23-0002: [23-0054](#)  
An Ordinance of the City of Manhattan Beach Amending Title 1 (General Provisions) of the Manhattan Beach Municipal Code to add Chapter 1.14 Regarding Rehearings  
b. Adoption of Urgency Ordinance No. 23-0003-U:  
An Urgency Ordinance of The City of Manhattan Beach Amending Title 1 (General Provisions) of the Manhattan Beach Municipal Code to add Chapter 1.14 Regarding Rehearings and Declaring the Urgency Thereof  
c. Making a Determination of Exemption under the California Environmental Quality Act (City Manager Moe).

**ADOPT ORDINANCE NOS. 23-0002 AND 23-0003-U**

Attachments: [Urgency Ordinance No. 23-0003-U](#)  
[Ordinance No. 23-0002](#)

6. Consideration of a Resolution Declaring an Intention to Provide for Annual Levy and Collection of Assessments for the North Manhattan Beach Business Improvement District and Setting February 21, 2023, for a Public Hearing (Finance Director Charelian). [23-0039](#)  
**ADOPT RESOLUTION NO. 23-0011**  
**Attachments:** [Resolution No. 23-0011](#)  
[2023 Annual Budget and Activity Plan](#)  
[Revised North MB BID Bylaws](#)
7. Consider Awarding Bid No. 1290-23 to McGovern Commercial for the Purchase of Seven Patrol Vehicles for the Police Department in the Amount of \$289,691 and Approving an Additional Appropriation of \$178,043 from the Fleet Management Fund (Finance Director Charelian). [23-0042](#)  
**A) APPROVE**  
**B) APPROPRIATE FUNDS**  
**Attachments:** [Bid No. 1290-23 Comparison for Patrol Vehicle](#)
8. Fiscal Year 2021-2022 Annual Comprehensive Financial Report (Finance Director Charelian). [23-0005](#)  
**RECEIVE AND FILE**  
**Attachments:** [Fiscal Year 2021-2022 Annual Comprehensive Financial Report \(ACFR\)](#)  
[Report on Internal Control \(Management Letter\)](#)  
[Audit Communication Letter](#)
9. Consideration of a Resolution Accepting 2021 State Homeland Security Program Grant Funds in the Amount of \$72,000 for the Purchase of Law Enforcement Equipment (Police Chief Johnson). [23-0007](#)  
**A) ADOPT RESOLUTION NO. 23-0002**  
**B) APPROPRIATE FUNDS**  
**Attachments:** [Resolution No. 23-0002](#)  
[Agreement - State Homeland Security Program Grant \(2021\)](#)
10. Approval of a Purchase of "Circles" Sculpture by CJ Rench, and Allocate \$25,000 from the Public Art Trust Fund (Parks and Recreation Director Leyman). [23-0008](#)  
**A) APPROVE**  
**B) ALLOCATE FUNDS FROM PUBLIC ART TRUST FUND**  
**Attachments:** [Agreement - CJ Rench](#)  
[PowerPoint Presentation](#)

11. Consideration of a Resolution Approving Amendment No. 2 to the Professional Services Agreement with Pacific Advanced Civil Engineering, Inc. for \$96,480 for Additional Design Services for the Larsson 2nd Street Booster Pump Station Upgrade Project (Public Works Director Lee). [23-0010](#)  
**ADOPT RESOLUTION NO. 23-0005**  
**Attachments:** [Resolution No. 23-0005](#)  
[Amendment No 2 - Pacific Advanced Civil Engineering, Inc. \(PACE\)](#)  
[Agreement and Amendment No.1 - Pacific Advanced Civil Engineering, Inc. \(PACE\)](#)  
[Budget and Expenditures Summary Report](#)
12. Consideration of a Resolution Approving Amendment No. 2 to the Professional Services Agreement with Butier Engineering, Inc. for Additional Construction Management and Inspection Services in the Amount of \$435,537 for the Peck Reservoir Replacement Project (Public Works Director Lee). [23-0012](#)  
**ADOPT RESOLUTION NO. 23-0006**  
**Attachments:** [Resolution No. 23-0006](#)  
[Amendment 2 - Butier Engineering, Inc.](#)  
[Agreement and Amendment No. 1 - Butier Engineering, Inc.](#)  
[Location Map](#)
13. Consideration of a Resolution Approving an Agreement with HF&H Consultants, LLC to Perform Up to Five Biennial Compliance Audits on the City's Franchise Agreement with Waste Management During the Agreement Term and Appropriate \$100,000 in Mostly-Reimbursable Funds from the General Fund (Public Works Director Lee). [23-0014](#)  
**A) ADOPT RESOLUTION NO. 23-0008**  
**B) APPROPRIATE FUNDS**  
**Attachments:** [Resolution No. 23-0008](#)  
[Agreement - HF&H Consultants, LLC.](#)
14. Consideration of Resolution Approving an Agreement with HF&H Consultants, LLC. in the Amount of \$25,000 to Conduct a Senate Bill (SB) 1383 Grant-Funded Gap Analysis Regarding New Statewide Organic Waste Regulations and Appropriating \$50,347 in Grant-Reimbursable Funds for the Analysis and Other Reimbursable Expenditures (Public Works Director Lee). [23-0015](#)  
**A) ADOPT RESOLUTION NO. 23-0009**  
**B) APPROPRIATE FUNDS**  
**Attachments:** [Resolution No. 23-0009](#)  
[Agreement - HF&H Consultants, LLC.](#)



15. Consideration of Resolutions to Accept Agreements of Easement Dedication and Covenants and Temporary Construction Easement Deeds for Properties at 1100 and 1120 N. Sepulveda Boulevard for the Manhattan Beach Boulevard and Sepulveda Boulevard Intersection Improvement Project (Public Works Director Lee) [23-0016](#)
- A) **ACCEPT**  
B) **AUTHORIZE**  
C) **ADOPT RESOLUTION NOS. 23-0012 AND 23-0013**

Attachments: [Resolution No. 23-0012](#)  
[Agreement - Irrevocable Offer of Dedication and Covenants - 1100 N. Sepulveda Boulevard](#)  
[Temporary Construction Easement Deed - 1100 N. Sepulveda Boulevard](#)  
[Resolution No. 23-0013](#)  
[Agreement - Irrevocable Offer of Dedication and Covenants - 1120 N. Sepulveda Boulevard](#)  
[Temporary Construction Easement Deed - 1120 N. Sepulveda Boulevard](#)  
[Resolution No. 6122](#)

## I. ITEMS REMOVED FROM THE CONSENT CALENDAR

*Each speaker may speak for up to 2 minutes on each item pulled from the agenda.*

## J. PUBLIC HEARINGS

*At the discretion of the Mayor, each speaker may speak for up to 3 minutes on each public hearing item.*

16. Urgency Ordinance No. 23-0001-U: [23-0017](#)  
An Interim Ordinance Of The City Of Manhattan Beach Extending Urgency Ordinance No. 22-0002-U, Which Amended The Manhattan Beach Municipal Code To Clarify Provisions For The Preservation Of Historic Resources (Acting Community Development Director Mirzakhania).  
(Estimated Time: 15 Mins.)  
A) **CONDUCT PUBLIC HEARING**  
B) **ADOPT URGENCY ORDINANCE NO. 23-0001-U EXTENDING THE INTERIM ZONING ORDINANCE FOR A MAXIMUM OF ONE YEAR**

Attachments: [Urgency Ordinance No. 23-0001-U](#)  
[PowerPoint Presentation](#)

**K. GENERAL BUSINESS**

*Each speaker may speak for up to 2 minutes on each general business item.*

17. Consideration of Final Design for Bruce's Beach Plaque Monument Landscaping (City Manager Moe). [23-0048](#)  
(Estimated Time: 30 Mins.)  
**APPROVE**

**Attachments:** [Hardscape and Planting Plans](#)  
[Rough Cost Estimate](#)  
[PowerPoint Presentation](#)

18. Discussion of Options for Temporary Encroachment Permits for Street Dining and Business Uses and Outdoor Facilities Permits for Outdoor Uses on Private Property After Expiration of COVID-19 Emergency Orders (Acting Community Development Director Mirzakhonian). [23-0021](#)  
(Estimated Time: 60 min.)  
**DISCUSS AND PROVIDE DIRECTION**

**Attachments:** [Outdoor Street Dining/Business Use Encroachment Area Chronology](#)  
[PowerPoint Presentation](#)

19. Discussion Regarding Placing Cameras at Public Facilities, Public Areas and Parks (Public Works Director Lee). [23-0019](#)  
(Estimated Time: 45 Mins.)  
**DISCUSS AND PROVIDE DIRECTION**

**Attachments:** [Map Depicting Scope of Current Citywide Security Cameras Project](#)  
[PowerPoint Presentation](#)

20. Consideration of Resolutions Awarding a Construction Agreement to Pavement Coatings Co. for the Slurry Seal Project Encompassing the North Area of the Sand Section (Area 7) for \$1,188,249; Approving a Construction Inspection Professional Services Agreement with Z & K Consultants, Inc. for \$52,224; and Approving an Additional Appropriation of \$177,448 from the Capital Improvements Program (CIP) Fund and a Public Arts Trust Fund Allocation of \$326,822 for the Project (Public Works Director Lee).

[23-0030](#)

(Estimated Time: 15 Mins.)

- A) **ADOPT RESOLUTION NOS. 23-0003 AND 23-0004**  
B) **APPROPRIATE FUNDS**  
C) **DISCUSS AND PROVIDE DIRECTION**

Attachments: [Resolution No. 23-0003](#)  
[Agreement – Pavement Coatings Co.](#)  
[Bid Proposal - Pavement Coatings Co.](#)  
[Resolution No. 23-0004](#)  
[Agreement – Z & K Consultants, Inc.](#)  
[Plans and Specifications \(Web-Link Provided\)](#)  
[Budget and Expenditures Summary Report](#)  
[Location Map](#)  
[PowerPoint Presentation](#)

## L. CITY COUNCIL REQUESTS AND REPORTS INCLUDING AB 1234 REPORTS

*In addition to providing reports of meetings and conferences attended by Councilmembers in connection with their official duties at City expense as required by AB 1234, Councilmembers requested at a previous City Council meeting that the following item(s) be placed on the agenda for discussion.*

## M. FUTURE AGENDA ITEMS

*Councilmembers may request that items be placed on a future agenda with the concurrence of one other Councilmember.*

## N. CITY MANAGER REPORT

## O. CITY ATTORNEY REPORT

## P. INFORMATIONAL ITEMS

*This section is for items that do not require City Council action.*

21. Agenda Forecast (City Clerk Tamura).  
**INFORMATION ITEM ONLY**

[23-0022](#)

**Q. CLOSED SESSION**

**I. ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

**CONFERENCE WITH LEGAL COUNSEL (EXISTING LITIGATION)  
(Government Code Section 54956.9(d)(1))**

**Name of Case: Highrose El Porto, LLC. v City of Manhattan Beach  
Los Angeles County Superior Court  
Case No: 22STCP03962**

**This lawsuit challenges the City Council's decision regarding the Highrose El Porto project.**

**II. RECESS INTO CLOSED SESSION**

**III. RECONVENE INTO OPEN SESSION**

**IV. CLOSED SESSION ANNOUNCEMENT IN OPEN SESSION**

**R. ADJOURNMENT**

**S. FUTURE MEETINGS****CITY COUNCIL MEETINGS**

*January 18, 2023 - Wednesday -- 6:00 PM - City Council and Planning Commission and Parking and Public Improvements Commission Work Plan Meeting*

*January 19, 2023 - Thursday -- 6:00 PM - Adjourned Regular Meeting (Highrose)*

*February 7, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*February 21, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*March 7, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*March 14, 2023 - Tuesday -- 6:00 PM - Adjourned Regular Meeting (Work Plan Meeting)*

*March 21, 2023 - Tuesday -- 6:00 PM - City Council Meeting (Reorganization)*

*April 4, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*April 18, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*May 2, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*May 16, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*June 6, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*June 20, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*July 4, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*July 18, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*August 1, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*August 15, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*September 5, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*September 19, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*October 3, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*October 17, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*November 7, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*November 21, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*December 5, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

*December 19, 2023 - Tuesday -- 6:00 PM - City Council Meeting*

**BOARDS, COMMISSIONS AND COMMITTEE MEETINGS**

January 23, 2023 - Monday - 4:00 PM - Parks and Recreation Commission Meeting  
January 25, 2023 - Wednesday - 3:00 PM - Planning Commission Meeting  
January 26, 2023 - Thursday - 4:00 PM - Parking and Public Improvements Commission Meeting  
January 30, 2023 - Monday - 4:00 PM - Cultural Arts Commission Meeting (Rescheduled from January 16, 2023)  
February 8, 2023 - Wednesday - 3:00 PM - Planning Commission Meeting  
February 13, 2023 - Monday - 4:00 PM - Library Commission Meeting  
February 20, 2023 - Monday - 4:00 PM - Cultural Arts Commission Meeting  
February 22, 2023 - Wednesday - 3:00 PM - Planning Commission Meeting  
February 23, 2023 - Thursday - 4:00 PM - Parking and Public Improvements Commission Meeting  
February 27, 2023 - Monday - 4:00 PM - Parks and Recreation Commission Meeting  
March 8, 2023 - Wednesday - 3:00 PM - Planning Commission Meeting  
March 13, 2023 - Monday - 4:00 PM - Library Commission Meeting  
March 20, 2023 - Monday - 4:00 PM - Cultural Arts Commission Meeting  
March 22, 2023 - Wednesday - 3:00 PM - Planning Commission Meeting  
March 23, 2023 - Thursday - 4:00 PM - Parking and Public Improvements Commission Meeting  
March 27, 2023 - Monday - 4:00 PM - Parks and Recreation Commission Meeting  
April 10, 2023 - Monday - 4:00 PM - Library Commission Meeting  
April 12, 2023 - Wednesday - 3:00 PM - Planning Commission Meeting  
April 17, 2023 - Monday - 4:00 PM - Cultural Arts Commission Meeting  
April 24, 2023 - Monday - 4:00 PM - Parks and Recreation Commission Meeting  
April 26, 2023 - Wednesday - 3:00 PM - Planning Commission Meeting  
April 27, 2023 - Thursday - 4:00 PM - Parking and Public Improvements Commission Meeting

**T. CITY OFFICES CLOSED****CITY HOLIDAYS:**

February 20, 2023 - Monday - Presidents Day  
May 29, 2023 – Monday – Memorial Day  
July 4, 2023 - Tuesday - Independence Day  
September 4, 2023 - Monday - Labor Day  
October 9, 2023 – Monday – Columbus Day  
November 10, 2023 – Friday – Veterans Day (Observance of November 11, 2023)  
November 23-24, 2023 - Thursday & Friday - Thanksgiving Holiday  
December 25, 2023 - Monday - Christmas Day Observed  
January 1, 2024 – Monday – New Years Day Observed  
January 15, 2024 – Monday – Martin Luther King Day



**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Department Director  
Libby Bretthauer, Financial Services Manager  
Emy-Rose Hanna, Revenue Services Supervisor

**SUBJECT:**

Presentation of Recognition Awards for Longstanding Local Businesses (Finance Director Charelian).

**PRESENT**

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**RECOMMENDATION:**

Staff recommends that the City Council recognize businesses that have been providing longstanding operations and services to the community for a number of years.

**FISCAL IMPLICATIONS:**

The cost for the plaques, proclamations and certificates is approximately \$2,300. Sufficient funding is available in the Finance department budget.

**BACKGROUND:**

City Council established an award program to recognize and applaud longstanding businesses that have continuously maintained a commercially-zoned premise providing services to our community for many years.

On May 1, 2018, City Council updated the Longstanding Business Award Program by identifying five (5) incremental milestones recognizing 10, 25, 30, 40, and 50 years of continuous service.

On September 9, 2021, City Council directed staff to expand the Program by including additional milestone years (5, 15 and 20 years) to the Longstanding Local Business Award Program.

Based on these changes to the Program, the City will be recognizing eight (8) incremental milestones with 5, 10, 15, 20, 25, 30, 40, and 50 years of continuous service in the community. Plaques will be awarded to businesses that achieve the 20, 25, 30, 40, and 50 year milestones. Special proclamations will be presented to businesses with 10 and 15 years and certificates will be mailed to businesses with 5 years.

The table below shows the number of businesses receiving recognition under the new expanded milestones, as well as the previous year for comparison:

<u>Year</u>	<u>Plaques</u>	<u>Proclamations</u>	<u>Certificates</u>	<u>Total</u>
<b>2022</b>	<b>43</b>	<b>62</b>	<b>45</b>	<b>150</b>
2021	32	47	43	122

**DISCUSSION:**

This year, City Council will present a total of 43 plaques in the 50, 40, 30, 25, and 20 year categories:

50 Years

1. Sloopy's Beach Cafe
2. The Copy Shop

40 Years

1. Hennessey's Tavern
2. Kinecta Federal Credit Union
3. Montage Skincare
4. Salvatore's Shoe Repair

30 Years

1. Bank Of America #1081
2. City Wide Property Mgt.
3. Downtown Manhattan Beach Business + Professional Association
4. Fino Manhattan
5. Manhattan Beach Chamber of Commerce
6. Nick's Tailor
7. Skechers USA, Inc

25 Years

1. Artwork Conversion Software
2. Check The Do! Hair Salon
3. Custom Quality Construction Inc
4. David J. Lesser, Attorney At Law
5. Int'l Cosmetics & Regulatory Specialists LLC
6. Joyce G Flood & Associates
7. Money Matters Tax Service
8. Noah's Bagels #2546



9. Orbit Satellite Service
10. Pacific Acupuncture & Healing Center
11. Peet's Coffee & Tea
12. Power Karate MbK, Inc.
13. R M Davis/Mike Davis
14. Reback, McAndrews, & Blessey
15. West Coast Orthopedic Design

#### 20 Years

1. American Martyrs Preschool
2. Bear Imagination
3. Chevron #1959
4. Dennis P Levine
5. Manhattan Beach Creamery
6. Manhattan Pizzeria
7. Manhattan Village Dental Group Inc
8. Michele Dugan
9. Origins - Elc Beauty LLC
10. P C Help? Professionals
11. Palm Consulting Services, Inc
12. Studio 5 Hair Designs
13. Torrance Memorial Physicians Network
14. Wallender & Associates
15. Williams-Sonoma #218

Additionally, the following establishments have maintained their businesses within Manhattan Beach for 15 and 10 years and will be presented with special proclamations:

#### 15 Years

1. American Hearing & Balance
2. B.R. Nail Spa
3. Bubbles Pet Spa LLC
4. Cami
5. Chex Usa, Inc
6. Citizens Business Bank
7. Family Orthodontics
8. Jenny Craig Weight Loss Center #142
9. Law Offices of Joel D Ruben
10. Law Offices of Keith F Simpson, APC
11. Lisz Dom Salon
12. Manhattan Beach Dermatology
13. Massage Envy
14. Michelle Ehrlich MD Inc
15. My Gym Children's Fitness
16. Nathan, Terry & Company, Inc.
17. Office Depot Inc #2740
18. Planet Beauty Manhattan Beach

19. Posh Nails
20. Premier Business Centers
21. Robert V. Masenga
22. Schlee Intellectual Property International P.C.
23. Sepulveda Treats, Inc.
24. Silver Scissors
25. South Bay Business Management Inc
26. Study Hut Tutoring
27. The Dragon And Phoenix Healer
28. West Coast Sports Physical Therapy

### 10 Years

1. Amy's Hallmark #443
2. Beach Cities Accounting Inc
3. Champ Camp LLC
4. Clothing From Heaven, Inc.
5. David Watson, Architect
6. Erick Bartolome DDS, Inc.
7. Evolution Construction
8. Fifth Row Center Performing Arts
9. Hmr Life Center, LLC
10. James Thomas Productions Events & Entertainment, Inc
11. Kiehl's Since 1851
12. Kreation Juicery
13. Law Office of R. Brian Kramer
14. Lemonade Restaurant
15. Manhattan Beach Covenant Church
16. Manhattan Beach Surgery Center LLC
17. Manhattan Beach Watch Repair & Vintage Watches
18. Manhattan Torah Center
19. Marcia A. Matika Dpm, Inc
20. Nikau Kai Waterman Shop
21. Pale Blue Design, Inc.
22. Philippe H. Lemoine, MD, APC
23. Pitfire Artisan Pizza
24. R Friend Financial
25. Rice
26. Richard J. Cordes, CPA, JD, LLM
27. Saks Of Manhattan
28. Salon Mar
29. Simplify Your Life Referral Agency Inc
30. Skylar Orthopedics
31. Super Mario Mobile Detail
32. Torrance Memorial Physician Network
33. Waterfront Sound
34. White House Pilates

The following establishments have served the community continuously for 5 years and will receive certificates by mail:

5 Years

1. 4 Corners Deposition Summaries Inc
2. Andrika King Design LLC
3. AR & F LLC
4. Artistic Endeavors
5. Balanced By Julie
6. Bayview Pediatric Dental Group
7. Beach Cities Orthopedic Surgery Center LLC
8. Beach Cities Shave Spa
9. Blackacre Law Group
10. Blue Skies Aviation Services Inc
11. Breathe Center
12. Brown Clinic for Attention and Related Disorders
13. Cafe Wild, LLC
14. Christine Kumiko Calligraphy
15. Coastal Pacific Landscapes Services Inc
16. Commerce Commercial Properties
17. Cookie Cutters
18. Edible Arrangements
19. El Porto Surfboards
20. Ernst & Co Wealth Management LLC
21. First Light Development Inc
22. Frontier California, Inc
23. Greene-Holenstein Homes, Inc @ Sotheby's
24. Heavy Iron Studios, Inc
25. Matern Law Group P.C.
26. Mb Nails & Spa
27. Motorsports World LLC
28. Musette LLC
29. Optic-Mistic Outlook Optometry
30. Pasich LLP
31. Periodontics & Oral Surgery of Manhattan Beach
32. Sass Hair Salon
33. South Bay Automation
34. South Bay Spinal Decompression
35. Strand Hill/Christie's Int'l Real Estate
36. Suite 6
37. Taylor & Ring, LLP
38. The Complete Real Estate Solution LLC
39. The Garden Thai
40. The Knowlton Group
41. The Pilates Nook

42. Threehands Beauty Company, LLC
43. Tomaro Custom Homes
44. Turning Point Properties LLC
45. Wolf Glass Corp

All businesses contribute to the vitality of the community and it is through this program that we recognize the contributions of these establishments.

**PUBLIC OUTREACH:**

City Staff contacted each business and notified them of their Longstanding Business Award. Additionally, 43 plaques will be awarded to businesses that have achieved 20, 25, 30, 40, and 50 years of continuous service in the community.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENT:**

1. PowerPoint Presentation

# PRESENTATION OF RECOGNITION AWARDS FOR LONGSTANDING LOCAL BUSINESSES

RECOGNIZING 5-50 YEARS OF CONTINUOUS SERVICE IN THE COMMUNITY

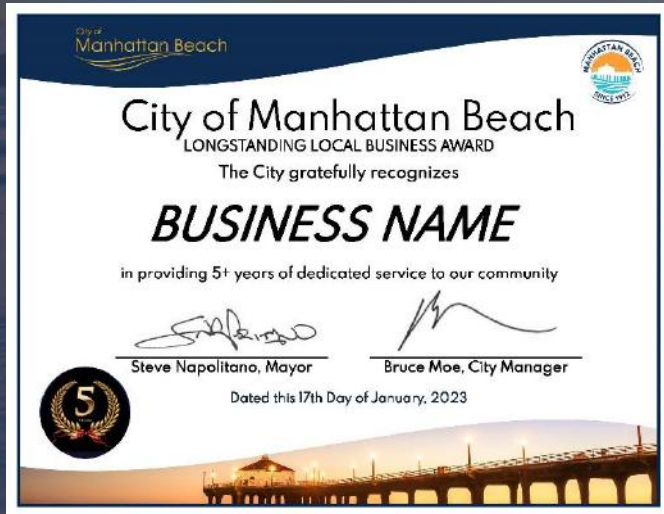


# 5 Years

(Presented with Certificates)

# 10 & 15 Years

(Presented with Proclamations)



# 20 Years

(Presented with Small Silver Plaques)

# 25 Years

(Presented with Small Gold Plaques)



Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.

# 30 Years

(Presented with Large Bronze Plaques)



# 40 Years

(Presented with Large Silver Plaques)



# 50 Years

(Presented with Large Gold Plaques)





# 5 Years

(45 Businesses Presented with Certificates)

1. 4 Corners Deposition Summaries Inc
2. Andrika King Design LLC
3. AR & F LLC
4. Artistic Endeavors
5. Balanced By Julie
6. Bayview Pediatric Dental Group
7. Beach Cities Orthopedic Surgery Center LLC
8. Beach Cities Shave Spa
9. Blackacre Law Group
10. Blue Skies Aviation Services Inc
11. Breathe Center
12. Brown Clinic for Attention and Related Disorders
13. Cafe Wild, LLC
14. Christine Kumiko Calligraphy
15. Coastal Pacific Landscapes Services Inc
16. Commerce Commercial Properties
17. Cookie Cutters
18. Edible Arrangements
19. El Porto Surfboards
20. Ernst & Co Wealth Management LLC
21. First Light Development Inc
22. Frontier California, Inc

# 5 Years - Continued

(45 Businesses Presented with Certificates)

23. Greene-Holenstein Homes, Inc @ Sotheby's
24. Heavy Iron Studios, Inc
25. Matern Law Group P.C.
26. MB Nails & Spa
27. Motorsports World LLC
28. Musette LLC
29. Optic-Mistic Outlook Optometry
30. Pasich LLP
31. Periodontics & Oral Surgery of Manhattan Beach
32. Sass Hair Salon
33. South Bay Automation
34. South Bay Spinal Decompression
35. Strand Hill/Christie's Int'l Real Estate
36. Suite 6
37. Taylor & Ring, LLP
38. The Complete Real Estate Solution LLC
39. The Garden Thai
40. The Knowlton Group
41. The Pilates Nook
42. Threehands Beauty Company, LLC
43. Tomaro Custom Homes
44. Turning Point Properties LLC
45. Wolf Glass Corp

# 10 Years

(34 Businesses Presented with Proclamations)

1. Amy's Hallmark #443
2. Beach Cities Accounting Inc
3. Champ Camp LLC
4. Clothing From Heaven, Inc.
5. David Watson, Architect
6. Erick Bartolome DDS, Inc.
7. Evolution Construction
8. Fifth Row Center Performing Arts
9. Hmr Life Center, LLC
10. James Thomas Productions Events & Entertainment, Inc
11. Kiehl's Since 1851
12. Kreation Juicery
13. Law Office of R. Brian Kramer
14. Lemonade Restaurant
15. Manhattan Beach Covenant Church
16. Manhattan Beach Surgery Center LLC
17. Manhattan Beach Watch Repair & Vintage Watches
18. Manhattan Torah Center
19. Marcia A. Matika Dpm, Inc
20. Nikau Kai Waterman Shop
21. Pale Blue Design, Inc.
22. Philippe H. Lemoine, MD, APC
23. Pitfire Artisan Pizza
24. R Friend Financial
25. Rice
26. Richard J. Cordes, CPA, JD, LLM
27. Saks Of Manhattan
28. Salon Mar
29. Simplify Your Life Referral Agency Inc
30. Skylar Orthopedics
31. Super Mario Mobile Detail
32. Torrance Memorial Physician Network
33. Waterfront Sound
34. White House Pilates

# 15 Years

(28 Businesses Presented with Proclamations)

1. American Hearing & Balance
2. B.R. Nail Spa
3. Bubbles Pet Spa LLC
4. Cami
5. Chex Usa, Inc
6. Citizens Business Bank
7. Family Orthodontics
8. Jenny Craig Weight Loss Center #142
9. Law Offices of Joel D Ruben
10. Law Offices of Keith F Simpson, APC
11. Lisz Dom Salon
12. Manhattan Beach Dermatology
13. Massage Envy
14. Michelle Ehrlich MD Inc
15. My Gym Children's Fitness
16. Nathan, Terry & Company, Inc.
17. Office Depot Inc #2740
18. Planet Beauty Manhattan Beach
19. Posh Nails
20. Premier Business Centers
21. Robert V. Masenga
22. Schlee Intellectual Property International P.C.
23. Sepulveda Treats, Inc.
24. Silver Scissors
25. South Bay Business Management Inc
26. Study Hut Tutoring
27. The Dragon And Phoenix Healer
28. West Coast Sports Physical Therapy

# 20 Years

(15 Businesses Presented with Plaques)

1. American Martyrs Preschool
2. Bear Imagination
3. Chevron #1959
4. Dennis P Levine
5. Manhattan Beach Creamery
6. Manhattan Pizzeria
7. Manhattan Village Dental Group Inc
8. Michele Dugan
9. Origins - Elc Beauty LLC
10. P C Help? Professionals
11. Palm Consulting Services, Inc
12. Studio 5 Hair Designs
13. Torrance Memorial Physicians Network
14. Wallender & Associates
15. Williams-Sonoma #218

# 25 Years

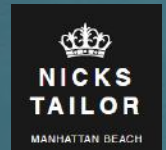
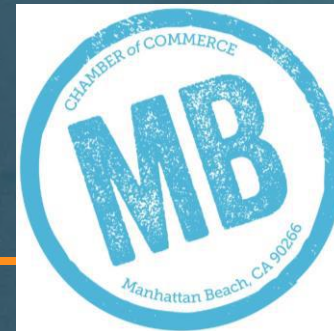
(15 Businesses Presented with Plaques)

1. Artwork Conversion Software
2. Check The Do! Hair Salon
3. Custom Quality Construction Inc
4. David J. Lesser, Attorney At Law
5. Int'l Cosmetics & Regulatory Specialists LLC
6. Joyce G Flood & Associates
7. Money Matters Tax Service
8. Noah's Bagels #2546
9. Orbit Satellite Service
10. Pacific Acupuncture & Healing Center
11. Peet's Coffee & Tea
12. Power Karate MbK, Inc.
13. R M Davis/Mike Davis
14. Reback, McAndrews, & Blessey
15. West Coast Orthopedic Design

# 30 Years

(7 Businesses Presented with Plaques)

1. Bank Of America #1081
2. City Wide Property Management
3. Downtown Manhattan Beach Business + Professional Association
4. Fino Manhattan
5. Manhattan Beach Chamber of Commerce
6. Nick's Tailor
7. Skechers USA, Inc



# 40 Years

(4 Businesses Presented with Plaques)

1. Hennessey's Tavern
2. Kinecta Federal Credit Union
3. Montage Skincare
4. Salvatore's Shoe Repair





# 50 Years

(2 Businesses Presented with Plaques)

1. Sloopy's Beach Cafe
2. The Copy Shop







**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Liza Tamura, City Clerk

Patricia Matson, Deputy City Clerk

**SUBJECT:**

City Council Minutes:

This Item Contains the City Council Regular Meeting Minutes of January 3, 2023 (Cancelled)  
(City Clerk Tamura).

**APPROVE**

---

**RECOMMENDATION:**

The attached minutes are for City Council approval:

Attachment(s):

1. City Council Regular Meeting Minutes of January 3, 2023 (Cancelled)



# City of Manhattan Beach

1400 Highland Avenue  
Manhattan Beach, CA 90266



## Meeting Minutes - Draft

Tuesday, January 3, 2023

6:00 PM

Regular Meeting

**CANCELLED**

## City Council Regular Meeting

### *ELECTED OFFICIALS*

*Mayor Steve Napolitano*

*Mayor Pro Tem Richard Montgomery*

*Councilmember Joe Franklin*

*Councilmember Amy Howorth*

*Councilmember David Lesser*

**AT THE NOVEMBER 15, 2022, CITY COUNCIL MEETING, THE CITY COUNCIL CANCELLED THE CITY COUNCIL MEETING ON JANUARY 3, 2023.**

**ON JANUARY 3, 2023, AT 6:15 PM, ASSISTANT CITY CLERK MARTHA ALVAREZ ANNOUNCED THAT THE JANUARY 3, 2023, CITY COUNCIL MEETING WAS BEING CANCELLED FOR LACK OF A QUORUM AND THAT THE MEETING WAS ADJOURNED TO JANUARY 9, 2023, AT 6:00 PM.**



**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Director  
Julie Bondarchuk, Financial Controller  
Libby Bretthauer, Financial Services Manager

**SUBJECT:**

Financial Reports:

- a) Schedule of Demands December 8, 2022, December 15, 2022, December 22, 2022, December 29, 2022
- b) Investment Portfolio for the Month Ending November 30, 2022
- c) Month End Report for November 30, 2022  
(Finance Director Charelian).

**ACCEPT REPORTS AND DEMANDS**

---

**RECOMMENDATION:**

Staff recommends that the City Council accept the attached reports and demands.

**FISCAL IMPLICATIONS:**

The financial report included herein is designed to communicate fiscal activity based upon adopted and approved budget appropriations. No further action of a fiscal nature is requested as part of this report.

The total value of the warrant registers for December 8, 2022, December 15, 2022, December 22, 2022, and December 29, 2022, is \$10,165,694.28.

**BACKGROUND:**

Finance staff prepares a variety of financial reports for City Council and the Finance Subcommittee. A brief discussion of the attached report follows.

**DISCUSSION:**

Schedule of Demands:

Every week staff prepares a comprehensive listing of all disbursements with staff certification that the expenditure transactions listed have been reviewed and are within budgeted appropriations.

Investment Portfolio:

Detailed Investment reports are provided to the Finance Subcommittee with summary reporting to City Council. The month end portfolio includes a certification by the Finance Director that all investments comply with established Investment Policies (or with Finance Subcommittee approved exceptions), and there is sufficient liquidity to support projected expenditures.

Month End Report:

This package includes summary level financial information for the month ending November 30, 2022. This report marks the fifth month of fiscal year 2022-2023 and reflects the annual budget adopted by City Council. The report provides monthly and year-to-date activity for all funds and departments presenting a snapshot of budget performance. A report highlighting the performance of key revenue sources is also included.

Lastly, a summary of balance sheet accounts managed by the City is included to provide the balances as of November 30, 2022. Balance sheet accounts record funds collected from private parties for a specific use together with the various expenditures that result from associated projects and activities. This report shows a brief description of each account along with its purpose, month-end balance, and the managing department.

**PUBLIC OUTREACH:**

After analysis, staff determined that public outreach was not required for this issue.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Schedule of Demands for December 8, 2022, December 15, 2022, December 22, 2022, and December 29, 2022
2. Investment Portfolio for the Month Ending November 30, 2022
3. Month End Report for November 30, 2022



# City of Manhattan Beach

## Finance Department



### Schedule of Demands

December 8, 2022, December 15, 2022,  
December 22, 2022, and December 29, 2022

**CITY OF MANHATTAN BEACH**  
WARRANT REGISTER

WARRANT(S) AP120822, AP121522, AP122222 & AP122922  
DATED: 12/08/2022, 12/15/2022, 12/22/2022 & 12/29/2022

I HEREBY CERTIFY THAT THE CLAIMS OR DEMANDS COVERED BY THE ABOVE WARRANT(S) IN THE AMOUNT OF \$10,165,694.28 HAVE BEEN REVIEWED AND THAT SAID CLAIMS OR DEMANDS ARE ACCURATE, ARE IN CONFORMANCE WITH THE ADOPTED BUDGET, AND THAT THE FUNDS ARE AVAILABLE THEREOF.

THIS 17TH DAY OF JANUARY 2023

REVIEWED, CERTIFIED AND APPROVED  
BY CITY MANAGER BRUCE MOE AND  
BY FINANCE DIRECTOR STEVE CHARELIAN

	WARRANT(S)			
		AP120822		1,117,423.56
		AP121522		1,301,066.82
		AP122222		755,480.77
		AP122922		1,857,530.74
WARRANT REGISTER (S) AP120822, AP121522, AP122222 & AP122922	PREPAID WIRES / MANUAL CKS	AP120822		758,841.93
		AP122222		1,693,775.49
		AP122922		289,861.82
	<b>SUBTOTAL WARRANTS</b>			7,773,981.13
	PAYROLL	PE 12/2/2022	PY	1,288,292.45
	PAYROLL	PE 12/16/2022	PY	1,103,420.70
	<b>TOTAL WARRANTS</b>			<b>10,165,694.28</b>

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP120822

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
804223	8/4/2022	W	CALPERS	FIRE PEPRA UAL FY 2022-23 POLICE	814.00
90804221	8/4/2022	W	CALPERS	CLASSIC UAL FY 2022-23 POLICE	103,358.00
90804222	8/4/2022	W	CALPERS	PEPRA UAL FY 2022-23 FIRE CLASSIC	882.00
90804224	8/4/2022	W	CALPERS	UAL FY 2022-23 MISCELLANEOUS	110,013.00
908042022	8/4/2022	W	CALPERS	CALPERS UAL PE 12-02-2022	149,828.00
912082022	12/8/2022	W	UNION BANK	PAYROLL WITHHOLD FLEX	387,197.05
912132022	12/13/2022	W	CITY OF MANHATTAN BEACH	CONTRIBUTION	6,749.88
<b>SUB-TOTAL WARRANT WIRE</b>					<b>\$ 758,841.93</b>
552012	12/8/2022	P	ABBA TERMITE & PEST CONTROL	BEE REMOVAL & RELOCATION SERVI	1,560.00
552013	12/8/2022	P	THE ABY MANUFACTURING GROUP INC.	PUBLIC SAFETY CUSTOM BADGES	504.06
552014	12/8/2022	P	ADMINSURE INC	GENERAL LIABILITY CLAIMS ADMIN	4,519.00
552015	12/8/2022	P	ADVANCED IMAGING STRATEGIES	5YR MULTIFUNCTION COPIERS & PR	7,352.26
552016	12/8/2022	P	ALL AMERICAN ASPHALT	CONTRACT WITHHOLDING: 9202202	36,512.57
552017	12/8/2022	P	ARAKELIAN ENTERPRISES INC	STREET SWEEPING AND PRESSURE W	13,266.40
552018	12/8/2022	P	ASPEN ENVIRONMENTAL GROUP	ASPEN (SKECHERS) OCT 2022 INVO	567.50
552019	12/8/2022	P	AT&T MOBILITY	AT&T INVOICE COVERING SEPT 25	2,635.27
552020	12/8/2022	P	BARR COMMERCIAL DOOR REPAIR	THREE YEAR COMMERCIAL DOOR REP	3,855.42
552021	12/8/2022	P	BARR COMMERCIAL DOOR REPAIR	THREE YEAR COMMERCIAL DOOR REP	654.83
552022	12/8/2022	P	BODY & MIND COE DYNAMICS INC	FALL 2022 COE DYNAMICS INVOICE	1,480.00
552023	12/8/2022	P	CA NEWSPAPER PARTNERSHIP	BEACH REPORTER 9-8-22 PLN PUBL	1,230.69
552024	12/8/2022	P	CALIFORNIA HEALTH & SAFETY INC	F.D. SAFETY EQUIPMENT TESTING	2,985.76
552025	12/8/2022	P	CHARTER COMMUNICATIONS HOLDING LLC	DARK FIBER MAINTENANCE	4,125.20
552026	12/8/2022	P	CIVICPLUS LLC	MUNICIPAL CODE CODIFICATION SE	1,678.70
552027	12/8/2022	P	COMPANY NURSE LLC	WORK INJURY TRIAGE HOTLINE	660.00
552028	12/8/2022	P	CONOR CONSULTING LLC	POLICE DEPARTMENT STRATEGIC PL	12,000.00
552029	12/8/2022	P	CORELOGIC INFO SOLUTIONS INC	ONLINE SERVICES-PROPERTY OWNER	9,313.80
552030	12/8/2022	P	CUSTOMER REFUND	PE-22-00069 PAR REFUND OVERPAY	2,069.00
552031	12/8/2022	P	CUSTOMER REFUND	REFUND FEE PLMB-21-00507, 421	102.00
552032	12/8/2022	P	CUSTOMER REFUND	REFUND FEE PLMB-21-00472, 205	111.69

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP120822

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552033	12/8/2022	P	CUSTOMER REFUND	REFUND PERMIT PLMB-21-00409, 4	469.45
552034	12/8/2022	P	CUSTOMER REFUND	REFUND PERMIT MECH-22-00554, 1	763.75
552035	12/8/2022	P	CUSTOMER REFUND	REFUND ROW DEPOSIT - 2605 N. P	465.00
552036	12/8/2022	P	CUSTOMER REFUND	GROUNDROW-21-00609 PARTIAL REF	641.00
552037	12/8/2022	P	CUSTOMER REFUND	REFUND ROW DEPOSIT - 1441 MANH	465.00
552038	12/8/2022	P	D & H FIRE PROTECTION INC	FIRE PROTECTION SERVICES	1,775.00
552039	12/8/2022	P	DANA STAGGS	BEGG POOL MASTERS PAYMENT	495.00
552040	12/8/2022	P	DEMARIA ELECTRIC MOTOR SERVICES INC	EMERGENCY PUMP REPAIR 23RD & P	15,536.09
552041	12/8/2022	P	DONNOE & ASSOCIATES INC	TEST BOOKLETS AND EXAM RENTAL	1,030.00
552042	12/8/2022	P	DUDEK	DUDEK (HOUS ELMNT CONTR) INV A	15,920.00
552043	12/8/2022	P	EBIX INC	INSURANCE CERTIFICATE DATA MAN	60.67
552044	12/8/2022	P	ELEVATORS ETC LP	ELEVATOR AND ESCALATOR MAINTEN	620.00
552045	12/8/2022	P	EMPLOYEE REFUND VENDOR	REIMBURSEMENT - TRAVEL EXPENSE	92.00
552046	12/8/2022	P	EMPLOYEE REFUND VENDOR	11/27/22 KDOHERTY PE RENEWAL -	180.00
552047	12/8/2022	P	EMPLOYEE REFUND VENDOR	REIMBURSEMENT - TRAVEL EXPENSE	97.25
552048	12/8/2022	P	EQUINIX INC	DATA CENTER SECURE RACK SERVIC	1,470.00
552049	12/8/2022	P	E SOURCE COMPANIES LLC	WATER LOSS AUDIT VALIDATION SE	2,500.00
552050	12/8/2022	P	ARMENA JEHANIAN	COOKING WORKSHOPS FOR THE REC	1,200.00
552051	12/8/2022	P	FRONTIER CALIFORNIA INC	INTERNET SERVICES	2,886.20
552052	12/8/2022	P	FRONTIER COMMUNICATIONS OF AMERICA	INTERNET SERVICES	11,189.35
552053	12/8/2022	P	FUSUS	FUSUS VIDEO STORAGE & INVESTIG	24,500.00
552054	12/8/2022	P	GAIL MINDY WINTHROP	WATER AEROBICS PAYMENT	405.00
552055	12/8/2022	P	GOVERNMENTJOBS COM INC	SUBSCRIPTION FEE TO GOVERNMENT	1,919.76
552056	12/8/2022	P	HADRONEX INC	SMARTCOVER SEWER TECHNOLOGY	1,009.16
552057	12/8/2022	P	HANSON BRIDGETT LLP	WORKPLACE & ADMINISTRATIVE INV	1,002.50
552058	12/8/2022	P	HARRIS & ASSOCIATES INC	STREET LIGHTING/LANDSCAPE ASSE	9,500.00
552059	12/8/2022	P	HDR ENGINEERING INC	1200479227 3/27-10/22/22 CORRO	3,625.88
552060	12/8/2022	P	IDS GROUP INC	22X081.00-1 SEISMIC SURVEY LOT	22,980.00

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP120822

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552061	12/8/2022	P	INFOSEND INC	ELECTRONIC BILL PRESENTMENT -	10,232.24
552062	12/8/2022	P	IPS GROUP INC	PARKING METER FEES, PARTS & LA	4,351.14
552063	12/8/2022	P	K-9 SERVICES LLC	MAINTENANCE TRAINING NOV 2022	1,000.00
552064	12/8/2022	P	KCM HAMBURGER LLC	CATERER FOR EMPLOYEE EVENTS	3,461.00
552065	12/8/2022	P	KEVIN GRES	CITATIONS	1,440.00
552066	12/8/2022	P	KEVORK ENTERPRISES INC	AUTO BODY REPAIRS	385.88
552067	12/8/2022	P	LA COUNTY CLERK/RECORDER	SEPT 2022 LA COUNTY ELECTRONIC	230.00
552068	12/8/2022	P	LEBO AUTOMOTIVE	2023 TOYOTA SIENNA FOR PD	49,999.13
552069	12/8/2022	P	LEIGHTON CONSULTING INC	53724 OCT'22 FIRE STATION NO.	2,624.00
552070	12/8/2022	P	LIEBERT CASSIDY WHITMORE	LEGAL SERVICES FOR EMPLOYMENT	4,250.00
552071	12/8/2022	P	LISA KAY GALLATIN	CONTRACTED BACKGROUND INVESTIG	3,105.30
552072	12/8/2022	P	LOS ANGELES COUNTY DEPARTMENT OF	ANNUAL ADMINISTRATIVE FEE OF \$	888.00
552073	12/8/2022	P	MELAD AND ASSOCIATES INC	PC HRLY - OCT 2022	3,825.00
552074	12/8/2022	P	MERCHANTS LANDSCAPE SVCS INC	LANDSCAPE MAINTENANCE SERVICES	30,267.26
552075	12/8/2022	P	MICHAEL BAKER INTERNATIONAL	ENVIRONMENTAL CONSULTING SERV	3,050.80
552076	12/8/2022	P	MEREDITH R MILLER	HEALTH & WELLNESS PROGRAM	880.00
552077	12/8/2022	P	NAVIA BENEFIT SOLUTIONS INC	FLEXIBLE SPENDING ACCOUNT ADMI	294.40
552078	12/8/2022	P	NAVIA BENEFIT SOLUTIONS INC	FLEXIBLE SPENDING ACCOUNT ADMI	294.40
552079	12/8/2022	P	NELLY KORENEVSKY	FALL 2022 ZUMBA INVOICE	599.40
552080	12/8/2022	P	PACIFIC ADVANCED CIVIL ENG	6602 OCT' 22 LARSSON STREET PU	1,002.50
552081	12/8/2022	P	PK HEALTHCARE SERVICES INC	ANNUAL ONSITE EMPLOYEE FLU SHO	2,425.00
552082	12/8/2022	P	RACE TELECOMMUNICATIONS INC	INTERNET SERVICES/SOUTH BAY FI	4,622.80
552083	12/8/2022	P	REGENTS UNIVERSITY OF CALIFORNIA LOS	NURSE EDUCATOR CONTRACT	2,856.20
552084	12/8/2022	P	ROBERT MICHAEL SCHWIEGER	BROADCAST SERVICES FOR CITY ME	6,595.00
552085	12/8/2022	P	ROSEMARY A LACKOW	PC 11-9-22 MTG MINS SECRETARY	280.00
552086	12/8/2022	P	SABLE COMPUTER INC	NETWORK SECURITY SERVICES	740.00
552087	12/8/2022	P	SEA CLEAR POOLS INC	BEGG POOL MAINTENANCE AND REPA	675.00
552088	12/8/2022	P	SHOETERIA INC	SAFETY BOOTS	195.45
552089	12/8/2022	P	SMART SOURCE OF CALIFORNIA LLC	WINTER MANHAPPENINGS POSTCARD	4,335.76

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP120822

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552090	12/8/2022	P	SOUTH BAY POLICE TRAINING CMTE	SOUTH BAY POLICE TRAINING COMM	630.00
552091	12/8/2022	P	SPOK INC	SCADA PAGERS FOR WATER PLANT O	24.86
552092	12/8/2022	P	STATE OF CALIFORNIA	LIVE SCAN SERVICES FOR OCTOBER	737.00
552093	12/8/2022	P	SUEZ WTS SERVICES USA INC	WATER SYSTEMS TECHNOLOGY	146.81
552094	12/8/2022	P	T MOBILE USA	MONTHLY SERVICE	61.60
552095	12/8/2022	P	TAIT & ASSOCIATES	153500 THRU 10/16/22 ROWELL AV	2,955.69
552096	12/8/2022	P	TINA KATCHEN GALL	148 OCT'22 CDBG ADMIN AND LABO	1,755.00
552097	12/8/2022	P	UNDERGROUND SERVICE ALERT OF	UNDERGROUND SCHEMATIC NOTIFICA	305.09
552098	12/8/2022	P	UNITED RENTALS NORTHWEST INC	BOOM RENTAL	3,787.87
552099	12/8/2022	P	US BANCORP CARD SERVICES INC	PCARD CHARGES FOR OCT. 2022	485,309.08
552100	12/8/2022	P	VAN LINGEN BODY SHOP INC	TOWING SERVICES	112.00
552101	12/8/2022	P	VASILJ INC	#5 CYCLE 2 SEWER INFRASTRUCTUR	76,000.00
552102	12/8/2022	P	VERIZON CALIFORNIA INC	SCADA COMMUNICATIONS	6,865.19
552103	12/8/2022	P	VERIZON CALIFORNIA INC	AMI TABLETS MONTHLY SERVICE CH	2,000.34
552104	12/8/2022	P	VITAL MEDICAL SERVICES LLC	OK TO BOOK, BLOOD DRAW & TESTI	6,191.00
552105	12/8/2022	P	WALTERS WHOLESALE ELECTRIC CO	ELECTRICAL SUPPLIES	6,357.09
552106	12/8/2022	P	WATER REPLENISHMENT DISTRICT	SEPT 2022	32,292.15
552107	12/8/2022	P	WECK ANALYTICAL ENVIRONMENTAL	LABORATORY SERVICES FOR WATER	1,375.00
552108	12/8/2022	P	WEST COAST TENNIS CAMPS INC	FALL 2022 THANKSGIVING CAMP IN	4,582.50
552109	12/8/2022	P	CA TEAMSTERS LOCAL 911	TEAMSTERS DUES	5,188.00
552110	12/8/2022	P	FRANCHISE TAX BOARD	EARNINGS WITHHOLDING-PE 12-02-	275.00
552111	12/8/2022	P	ICMA RETIREMENT TRUST - 401	DEFERRED COMP 401A PLAN	1,397.48
552112	12/8/2022	P	ICMA RETIREMENT TRUST - 457	DEFERRED COMP 457 & LOAN REPAY	75,194.04
552113	12/8/2022	P	ICMA RETIREMENT TRUST 401	DEFERRED COMP 401A PLAN	14,402.51
552114	12/8/2022	P	M B POLICE MGMT ASSC	MPPMA DUES	450.00
552115	12/8/2022	P	M B POLICE OFFICERS ASSOCIA	MBPOA DUES	3,404.42
552116	12/8/2022	P	MANHATTAN BEACH PART TIME EMPLOYEES	MBPTEA DUES	100.00
552117	12/8/2022	P	MARCELO SERRANO	PE 12-2-22 MBMEA DUES	792.00

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP120822

<u>CHECK #</u>	<u>DATE</u>	<u>TYPE</u>	<u>PAYEE NAME</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
552118	12/8/2022	P	PORAC RETIREE MEDICAL TRUST	MED TRUST CONTRIBUTION	3,375.00
552119	12/8/2022	P	PREPAID LEGAL SERVICES INC	PREPAID LEGAL	15.95
552120	12/8/2022	P	ROBIN L VARGAS	EARNINGS WITHHOLDING	553.85
552121	12/8/2022	P	STATE DISBURSEMENT UNIT	PE 12-2-22 GARNISHMENT	680.76
552122	12/8/2022	P	STATE DISBURSEMENT UNIT	PE 12-2-2022 GARNISHMENT	160.15
552123	12/8/2022	P	U.S. BANK	PARS CONTRIBUTION	3,281.19
552124	12/8/2022	P	VANTAGEPOINT TRANSFER AGENTS	RET HEALTH SAVINGS	1,777.07
<b>SUB-TOTAL WARRANT AP120822:</b>					<b>1,117,423.56</b>
<b>TOTAL WARRANT(S):</b>					<b>\$ 1,876,265.49</b>

# CITY OF MANHATTAN BEACH



## DISBURSEMENT BY FUND

DATED 12/08/2022

<u>Fund</u>	<u>Fund Description</u>	<u>Amount</u>
100	General Fund	1,486,151.89
205	Streets, Highways & Sidewalks	32,150.31
210	Asset Forfeiture Fund	12,000.00
211	Police Safety Grants Fund	24,500.00
230	Prop. A Fund	4,282.20
234	Measure M	2,955.69
401	Capital Improvement Fund	2,520.00
402	Bond Construction Fund	2,624.00
501	Water Fund	51,110.52
502	Stormwater Fund	23,085.25
503	Wastewater Fund	83,031.84
520	Parking Fund	18,287.09
521	County Parking Lots Fund	215.44
522	State Pier and Parking Lot Fun	6,446.05
601	Insurance Reserve Fund	10,645.62
605	Information Technology Fund	49,344.12
610	Fleet Management Fund	52,917.57
615	Building Maintenance & Operati	12,078.39
802	Special Deposits Fund	1,919.51
	<b>GRAND TOTAL:</b>	<b>1,876,265.49</b>



# CITY OF MANHATTAN BEACH

## WARRANT REGISTER



### WARRANT #: AP121522

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552125	12/15/2022	P	ADAMSON POLICE PRODUCTS	LAW ENFORCEMENT SUPPLIES	694.50
552126	12/15/2022	P	ADMINSURE INC	WC CLAIMS ADMINISTRATION	22,493.00
552127	12/15/2022	P	ADVANCED IMAGING STRATEGIES	5YR MULTIFUNCTION COPIERS & PR	2,304.43
552128	12/15/2022	P	ARDURRA GROUP INC	130397 OCT'22 ON-CALL PROJECT	58,155.00
552129	12/15/2022	P	AT&T MOBILITY	MOBILE CHARGES: HR & RISK	470.05
552130	12/15/2022	P	BEACHFRONT BUSINESS SERVICES	NMB BID ADVISORY BOARD EXECUTI	1,260.00
552131	12/15/2022	P	BELL EVENT SERVICES	2022 PIER LIGHTING LIGHTS AND	2,500.00
552132	12/15/2022	P	CA NEWSPAPER PARTNERSHIP	ADVERTISING	10,283.83
552133	12/15/2022	P	CA WATER SERVICE COMPANY	WATER SERVICE	142.05
552134	12/15/2022	P	CHARTER COMMUNICATIONS HOLDING LLC	CABLE SERVICE	109.48
552135	12/15/2022	P	CITY OF HAWTHORNE	JAIL SERVICES - SEPTEMBER 2022	2,400.00
552136	12/15/2022	P	CONCENTRA HEALTH SERVICES INC	DOT RANDOM TESTING	50.00
552137	12/15/2022	P	CONTEMPORARY SERVICES CORP	CROWD MGMT SERVICES - MB AMBAS	8,864.00
552138	12/15/2022	P	CULLIGAN	ART CENTER FOUNTAIN SERVICING	142.90
552139	12/15/2022	P	CUSTOMER REFUND	REIMBURSEMENT FOR HOLIDAY STRO	187.88
552140	12/15/2022	P	CUSTOMER REFUND	REFUND PERMIT FEES - 111 N. SE	335.70
552141	12/15/2022	P	EMPLOYEE REFUND VENDOR	GAS REIMBURSEMENT FOR N. BERAN	62.40
552142	12/15/2022	P	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE	GIS ENTERPRISE LICENSE SOFTWARE	35,000.00
552143	12/15/2022	P	FEDERAL EXPRESS CORPORATION	DELIVERY SERVICE	117.14
552144	12/15/2022	P	FRONTIER CALIFORNIA INC	TELEPHONE SERVICE	8,602.22
552145	12/15/2022	P	HAZEN AND SAWYER	20036-003-19 OCT'22 WATER INFR	940.00
552146	12/15/2022	P	IDS GROUP INC	19X043.00-8 10/27-11/30/22 GAS	4,460.00
552147	12/15/2022	P	IPS GROUP INC	SINGLE-SPACE PARKING METER REP	2,080.50
552148	12/15/2022	P	JENNIFER JAYNE NOONAN	BEGG POOL MASTERS PAYMENT FOR	150.00

# CITY OF MANHATTAN BEACH

## WARRANT REGISTER



### WARRANT #: AP121522

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552149	12/15/2022	P	KOA CORPORATION	JC12067-5 OCT'22 SLURRY SEAL P	4,215.00
552150	12/15/2022	P	MAUREEN DAVIS	FALL 2022 SESSION II INVOICE	935.03
552151	12/15/2022	P	MELAD AND ASSOCIATES INC	PC HRLY - NOV 2022	2,850.00
552152	12/15/2022	P	NANCY K BOHL INCORPORATED	EMPLOYEE SERVICES FOR NOVEMBER	500.00
552153	12/15/2022	P	ROSEMARY A LACKOW	MINUTES SECRETARY, LIBRARY COM	312.00
552154	12/15/2022	P	SA ASSOCIATES	PMSHG-17 NOV'22 PROJECT MANAGE	35,227.50
552155	12/15/2022	P	SANTIAGO A CORNEJO	NOVEMBER 2022 RACQUET COURT CL	1,190.00
552156	12/15/2022	P	SBLC INC	FALL 2022 BOOST LACROSSE INVOI	1,664.00
552157	12/15/2022	P	SBRPCA	QUARTERLY ASSESSMENT-3RD QUART	401,641.25
552158	12/15/2022	P	SELECTIVE GIFT INSTITUTE	EMPLOYEE SERVICE AWARDS	136.88
552159	12/15/2022	P	SO CA MUNICIPAL ATHLETIC FED	2022 SCMAF CLASS INSURANCE	3,995.00
552160	12/15/2022	P	SOUTHERN CALIFORNIA EDISON	STREET LIGHTING CHARGES	27,323.56
552161	12/15/2022	P	SOUTHERN CALIFORNIA EDISON	MONTHLY ELECTRIC CHARGES	40,083.53
552162	12/15/2022	P	SOUTHERN CALIFORNIA GAS CO	MONTHLY GAS CHARGES	9,174.26
552163	12/15/2022	P	STANDARD INSURANCE COMPANY	NOB 2022	3,396.80
552164	12/15/2022	P	TERRELL LYNN THOMPSON	YOGA FOR BETTER POSTURE #38816	2,242.50
552165	12/15/2022	P	THE ART BOX ACADEMY	THE ART BOX ACADEMY PAYMENT	2,593.00
552166	12/15/2022	P	THOMAS J BROXTERMANN	REGISTRATION-MAINTAINING ETHIC	150.00
552167	12/15/2022	P	TODD ELLIOT	NORTH MB BID HOLIDAY STROLL	850.00
552168	12/15/2022	P	UNIFIRST CORPORATION	MAT RENTAL	748.72
552169	12/15/2022	P	UNITED SITE SVCS OF CA INC	PORTABLE RESTROOMS	1,329.47
552170	12/15/2022	P	US BANK	TRUST/CUSTODY CHARGES	291.67
552171	12/15/2022	P	VAN LINGEN BODY SHOP INC	TOWING SERVICE	19.00
552172	12/15/2022	P	VERIZON CALIFORNIA INC	MONTHLY SERVICE	177.28

# CITY OF MANHATTAN BEACH

## WARRANT REGISTER



### WARRANT #: AP121522

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552173	12/15/2022	P	VISION SERVICE PLAN - (CA)	VISION PREMIUMS-DECEMBER 2022	3,824.14
552174	12/15/2022	P	WEST BASIN MUNICIPAL WATER DIS	MONTHLY WATER PURCHASES	589,611.90
552175	12/15/2022	P	WOLFF LANG CHRISTOPHER	000000000037 NOV'22 FIRE STATI	4,779.25
<b>SUB-TOTAL WARRANT AP121522:</b>					<b>1,301,066.82</b>
<b>TOTAL WARRANT(S):</b>					<b>1,301,066.82</b>

# CITY OF MANHATTAN BEACH

DISBURSEMENT BY FUND

DATED 12/15/2022



<b>Fund</b>	<b>Fund Description</b>	<b>Amount</b>
100	General Fund	562,271.80
201	Street Lighting & Landscape Fu	30,405.46
205	Streets, Highways & Sidewalks	1,402.50
230	Prop. A Fund	70.65
231	Prop. C Fund	7,672.50
401	Capital Improvement Fund	12,051.75
501	Water Fund	610,997.42
502	Stormwater Fund	694.28
503	Wastewater Fund	4,290.29
520	Parking Fund	5,742.27
601	Insurance Reserve Fund	22,702.24
605	Information Technology Fund	35,177.28
610	Fleet Management Fund	81.40
615	Building Maintenance & Operati	7,364.08
802	Special Deposits Fund	142.90
<b>GRAND TOTAL:</b>		<b>1,301,066.82</b>

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WIRES

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
992222	12/22/2022	W	CA PUBLIC EMPLOYEES' RETIRMENT SYSTEM	HEALTH PREMIUM JANUARY 2023	439,456.61
9121922	12/19/2022	W	CMB RISK MGMT LIABILITY	LIAB ACCOUNT REIMBURSEMENT	180,999.03
9122222	12/22/2022	W	CITY OF MANHATTAN BEACH	PE 12-16-2022 FLEX CONTRIBUTIO	6,680.20
912152022	12/15/2022	W	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PE 11-18-2022 CALPERS CONTRIBUTION	288,960.96
912192022	12/19/2022	W	CMB RISK MGMT WORKERS COMP	REIMBURSE WCOMP ACCT	459,216.74
912222022	12/22/2022	W	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PE 12-02-2022 CALPERS CONTRIBU	318,461.95
<b>SUB-TOTAL :</b>					<b>1,693,775.49</b>

### WARRANT #: AP122222

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552176	12/22/2022	P	1 800 PACK RAT LLC	PUMPKIN RACE STORAGE RELOCATIO	122.83
552177	12/22/2022	P	ADMINISTRATIVE SERVICES COOP	NOVEMBER 2022 SUPPLEMENTAL CAB	947.73
552178	12/22/2022	P	ADMINSURE INC	WC CLAIMS ADMINISTRATION	17,974.00
552179	12/22/2022	P	AM-TEC TOTAL SECURITY INC	MONTHLY MONITORING SERVICE	826.50
552180	12/22/2022	P	AT&T	T1 LINE TO RCC 12/7/22-1/6/23	348.46
552181	12/22/2022	P	AT&T MOBILITY	AT&T FIRSTNET	1,907.85
552182	12/22/2022	P	BARR COMMERCIAL DOOR REPAIR	THREE YEAR COMMERCIAL DOOR REP	912.39
552183	12/22/2022	P	BRINKS INCORPORATED	ARMORED CASH TRANSPORT	1,296.62
552184	12/22/2022	P	BRIT WEST SOCCER INC	BRIT WEST SOCCER FALL 2022 INV	8,775.00
552185	12/22/2022	P	BUSINESS RECOVERY SERVICES	REMOTE PAYMENT PROCESSING SERV	620.23
552186	12/22/2022	P	CA NEWSPAPER PARTNERSHIP	ADVERTISING	1,878.25
552187	12/22/2022	P	CCS LOS ANGELES JANITORIAL INC	JANITORIAL CONTRACT SERVICES	49,907.60
552188	12/22/2022	P	CHARTER COMMUNICATIONS HOLDING LLC	CABLE SERVICE (DECEMBER 2022)	4,047.40
552189	12/22/2022	P	CHRISTOPHER CUTRONEO	PAYMENT FOR POTTERY SALES AT T	338.65
552190	12/22/2022	P	CINDY GREBLIUNAS	FALL SESSION II VOLLEYBALL INS	2,064.00
552191	12/22/2022	P	CODE 5 GROUP LLC	BAIT TRACKING SERVICES	450.00
552192	12/22/2022	P	CONOR CONSULTING LLC	POLICE DEPARTMENT STRATEGIC PL	5,612.50
552193	12/22/2022	P	CORAL BAY HOME LOANS	SKATEDOGS FALL SESSION II INVO	2,020.20
552194	12/22/2022	P	CUSTOMER REFUND	CHUNG-HARPS; CITE 70013344	53.00
552195	12/22/2022	P	CUSTOMER REFUND	PULSIPHER; CITE 74011434	53.00
552196	12/22/2022	P	CUSTOMER REFUND	MIAN; CITE 72010921	53.00

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP122222

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552197	12/22/2022	P	CUSTOMER REFUND	DIEHL; CITE 69010536	53.00
552198	12/22/2022	P	CUSTOMER REFUND	DEMARCO; CITE 70013731	53.00
552199	12/22/2022	P	CUSTOMER REFUND	AMB REFUND - NOT BILLABLE - TA	117.52
552200	12/22/2022	P	CUSTOMER REFUND	FENG; CITE 75012049	53.00
552201	12/22/2022	P	CUSTOMER REFUND	UB OVERPAYMENT REFUND - 1347 G	84.88
552202	12/22/2022	P	CUSTOMER REFUND	TARNAY; CITE 73014120	53.00
552203	12/22/2022	P	CUSTOMER REFUND	REFUND CITATION CODE-22-01615	1,000.00
552204	12/22/2022	P	CUSTOMER REFUND	WHITELEY; CITE 76007358	53.00
552205	12/22/2022	P	CUSTOMER REFUND	2022 REFUND - AL 00268236	8.20
552206	12/22/2022	P	CUSTOMER REFUND	VAZQUEZ; CITE 74012066	53.00
552207	12/22/2022	P	CUSTOMER REFUND	AMB REFUND - PATIENT OVERPAID	97.50
552208	12/22/2022	P	CUSTOMER REFUND	AMB REFUND - PATIENT OVERPAID	102.33
552209	12/22/2022	P	CUSTOMER REFUND	PE-22-00067 PARTIAL REFUND AP	4,176.40
552210	12/22/2022	P	CUSTOMER REFUND	FENG; CITE 71012417	53.00
552211	12/22/2022	P	CUSTOMER REFUND	AMB REFUND - PATIENT OVERPAID	929.36
552212	12/22/2022	P	CUSTOMER REFUND	REFUND FEE ELECT-21-00636, 441	102.00
552213	12/22/2022	P	CUSTOMER REFUND	UB OVERPAYMENT REFUND - 609 27	2,328.43
552214	12/22/2022	P	CUSTOMER REFUND	MAAS; CITE 74012133	53.00
552215	12/22/2022	P	CUSTOMER REFUND	REFUND PERMIT BLDR-22-01429 -	644.09
552216	12/22/2022	P	CUSTOMER REFUND	REID; CITE 74011391	53.00
552217	12/22/2022	P	CUSTOMER REFUND	SOELLER; CITE 67012310	53.00
552218	12/22/2022	P	CUSTOMER REFUND	KORCSMAROS; CITE 62011135	53.00
552219	12/22/2022	P	CUSTOMER REFUND	REES; CITE 74013624	53.00
552220	12/22/2022	P	CUSTOMER REFUND	OKSAS; CITE 72011459	53.00
552221	12/22/2022	P	CUSTOMER REFUND	SHEEHY; CITE 75011614	53.00
552222	12/22/2022	P	CUSTOMER REFUND	NEDWICH; CITE 75013038	53.00
552223	12/22/2022	P	CUSTOMER REFUND	PARANAWITANE; CITE 67012077	53.00
552224	12/22/2022	P	CUSTOMER REFUND	2022 REFUND BL-23950	161.10
552225	12/22/2022	P	CUSTOMER REFUND	SHARPLESS; CITE 74003429	53.00
552226	12/22/2022	P	CUSTOMER REFUND	FOLEY; CITE 67011858	84.00
552227	12/22/2022	P	CUSTOMER REFUND	MASK CITATION REFUND; MACIULA	100.00

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP122222

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552228	12/22/2022	P	CUSTOMER REFUND	GARCIA; CITE 72011254	53.00
552229	12/22/2022	P	CUSTOMER REFUND	GONZALEZ; CITE 66009227	53.00
552230	12/22/2022	P	CUSTOMER REFUND	LOPEZ; CITE 70013232	53.00
552231	12/22/2022	P	CUSTOMER REFUND	MURPHY; CITE 62009760	74.00
552232	12/22/2022	P	CUSTOMER REFUND	TOPPING; CITE 74011922	53.00
552233	12/22/2022	P	CUSTOMER REFUND	SCHUGEL; CITE 74012763	53.00
552234	12/22/2022	P	CUSTOMER REFUND	ROSE; CITE 71012568	53.00
552235	12/22/2022	P	CUSTOMER REFUND	WARSTLER; CITE 75012907	53.00
552236	12/22/2022	P	CUSTOMER REFUND	MEHL; CITE 72011621	53.00
552237	12/22/2022	P	CUSTOMER REFUND	RIDDLE; CITE 73014058	74.00
552238	12/22/2022	P	CUSTOMER REFUND	LEE; CITE 74012624	53.00
552239	12/22/2022	P	CUSTOMER REFUND	MCMARTIN; CITE 64010421	53.00
552240	12/22/2022	P	CUSTOMER REFUND	MEJIA; CITE 64010422	53.00
552241	12/22/2022	P	CUSTOMER REFUND	2022 REFUND - AL 00281576	22.00
552242	12/22/2022	P	DEWEY SERVICES INC	INTEGRATED PEST MANAGEMENT SER	4,860.00
552243	12/22/2022	P	DEWEY SERVICES INC	INTEGRATED PEST MANAGEMENT SER	850.00
552244	12/22/2022	P	EDEN SERINA	SENIOR YOGA #38817 AND #38818	2,708.86
552245	12/22/2022	P	ELEANOR RAMOS	PAYMENT FOR POTTERY SALES AT T	211.25
552246	12/22/2022	P	ELEVATORS ETC LP	ELEVATOR AND ESCALATOR MAINTEN	620.00
552247	12/22/2022	P	EMPLOYEE REFUND VENDOR	DATKISSON - ICC CERTIFICATE RE	95.00
552248	12/22/2022	P	EMPLOYEE REFUND VENDOR	REIMBURSEMENT-HOILIDAY PARTY	149.96
552249	12/22/2022	P	EMPLOYEE REFUND VENDOR	DRINKING WATER OPERATOR LICENS	105.00
552250	12/22/2022	P	EMPLOYEE REFUND VENDOR	REIMBURSEMENT-CLASS A LICENSE	87.00
552251	12/22/2022	P	EMPLOYEE REFUND VENDOR	PD HOLIDAY EVENT 12/08/22	408.73
552252	12/22/2022	P	EQUINIX INC	DATA CENTER SECURE RACK SERVIC	1,470.00
552253	12/22/2022	P	FRANCHISE TAX BOARD	EARNINGS WITHHOLDING-PE 12-16-	275.00
552254	12/22/2022	P	ARMENA JEHANIAN	FROM SCRATCH BAKERS COOKING WO	1,200.00
552255	12/22/2022	P	FRONTIER CALIFORNIA INC	TELEPHONE SERVICE	414.31
552256	12/22/2022	P	FRONTIER COMMUNICATIONS OF AMERICA INC	INTERNET SERVICES	2,621.08
552257	12/22/2022	P	GEOSYNTEC CONSULTANTS INC	PROJECT MANAGEMENT BEACH CITIE	42,922.11
552258	12/22/2022	P	GOLDEN BELL PRODUCTS INC	INSECTA TREATMENT OF SEWER MAN	22,313.72

# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP122222

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552261	12/22/2022	P	HISTORY ASSOCIATES INCORPORATED	HISTORICAL COLLECTION SERVICES	6,545.00
552262	12/22/2022	P	ICMA RETIREMENT TRUST - 401	PE 12-16-2022 DEFERRED COMP 40	1,397.48
552263	12/22/2022	P	ICMA RETIREMENT TRUST - 457	PE 12-16-2022 DEFERRED COMP 45	70,136.86
552264	12/22/2022	P	ICMA RETIREMENT TRUST 401	PE 12-16-2022 DEFERRED COMP 40	14,404.18
552265	12/22/2022	P	INDEPENDENT CITIES ASSOCIATION	ANNUAL MEMBERSHIP FOR FY2022/2	1,777.50
552266	12/22/2022	P	INFOSEND INC	POSTAGE - NOVEMBER 2022	3,990.31
552267	12/22/2022	P	IPS GROUP INC	PARKING METER FEES, PARTS & LA	22,739.52
552268	12/22/2022	P	IRON MOUNTAIN INFO MNGMT INC	RECORDS STORAGE - PERM & ARCHI	1,776.23
552269	12/22/2022	P	ITERIS INC	152097 THRU NOV'22 CROSSWALK I	1,010.00
552270	12/22/2022	P	JAYCOX CONSTRUCTION CNG	CNG STATION MAINTENANCE SERVIC	3,117.33
552271	12/22/2022	P	JAYNE JUSTICE	FALL SESSION II CARDIO INVOICE	193.50
552272	12/22/2022	P	JESSE CONNER	FALL SESSION II BEACH VOLLEYBA	1,348.00
552273	12/22/2022	P	JING NIU	PAYMENT FOR POTTERY SALES AT T	28.60
552274	12/22/2022	P	KATHRYN HILLIER	PAYMENT FOR POTTERY SALES AT T	371.80
552275	12/22/2022	P	KOA CORPORATION	JC22054-1 NOV'22 MBB & AVIATIO	11,254.00
552276	12/22/2022	P	KYUNG L STANFILL	PAYMENT FOR POTTERY SALES AT T	679.24
552277	12/22/2022	P	L A COUNTY DEPARTMENT OF PUBLIC WORKS	TRAFFIC SERVICES	455.25
552278	12/22/2022	P	LA COUNTY CLERK/RECORDER	FILING FEE - NOE RESO NO 22-01	75.00
552279	12/22/2022	P	LARA ODELL	PAYMENT FOR POTTERY SALES AT T	255.45
552280	12/22/2022	P	LAZ KARP ASSOCIATES LLC	SUPPLEMENTAL PARKING ENFORCEME	29,573.85
552281	12/22/2022	P	M & M LIFTS INC	PW AERIAL TRUCK REPAIRS	15,051.62
552282	12/22/2022	P	M B POLICE MGMT ASSC	PE 12-16-2022 MPPMA DUES	450.00
552283	12/22/2022	P	M B POLICE OFFICERS ASSOCIA	PE 12-16-2022 MBPOA DUES	3,404.42
552284	12/22/2022	P	MANHATTAN STITCHING COMPANY	JACKETS FOR STAFF UNIFORMS	1,429.33
552285	12/22/2022	P	MCGOWAN CONSULTING LLC	ENVIRONMENTAL CONSULTING SERVI	15,448.50
552286	12/22/2022	P	MERRIMAC ENERGY GROUP	BULK FUEL	26,996.70
552287	12/22/2022	P	MICHAEL BAKER INTERNATIONAL	BAKER INTL 11-23-22 INV RE SCO	11,013.55
552288	12/22/2022	P	NICHOLAS S DIMATTEO	BEACH VOLLEYBALL INSTRUCTION	3,796.00
552289	12/22/2022	P	NV 5 INC	300766 OCT'22 UNDERGROUND UTIL	1,600.00
552290	12/22/2022	P	ONWARD ENGINEERING	6640 THRU NOV'22 MBB AND SEPUL	11,236.50
552291	12/22/2022	P	PACIFIC ADVANCED CIVIL ENG	6710 NOV'22 VOORHEES/PACIFIC P	25,300.00



# CITY OF MANHATTAN BEACH



## WARRANT REGISTER

### WARRANT #: AP122222

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552294	12/22/2022	P	RK SPORTS LLC	SPORTBALL FALL SESSION II INVO	2,544.75
552295	12/22/2022	P	ROBERT SIMCIK	PAYMENT FOR POTTERY SALES AT T	65.00
552296	12/22/2022	P	ROBIN L VARGAS	EARNINGS WITHHOLDING-PE 12-16-	553.85
552297	12/22/2022	P	ROSEMARY A LACKOW	MINUTES SECRETARY - AMENDMENT	408.00
552298	12/22/2022	P	SELECTIVE GIFT INSTITUTE	EMPLOYEE SERVICE AWARD	27.38
552299	12/22/2022	P	YUNEX LLC	LIGHT POLE REMOVAL, REPAIR AND	2,806.18
552300	12/22/2022	P	SOUTHERN CALIFORNIA EDISON	MONTHLY ELECTRIC CHARGES	53,455.88
552301	12/22/2022	P	STANTEC CONSULTING INC	2020183 OCT'22 PECK RESERVOIR	4,528.00
552302	12/22/2022	P	STATE DISBURSEMENT UNIT	EARNINGS WITHHOLDING-PE 12-16-	160.15
552303	12/22/2022	P	STATE DISBURSEMENT UNIT	EARNINGS WITHHOLDING-PE 12-16-	680.76
552304	12/22/2022	P	SULLY MILLER CONTRACTING CO	ASPHALT/EMULSION	446.99
552305	12/22/2022	P	SUSAN F GOLDSTEIN	PAYMENT FOR POTTERY SALES AT T	42.90
552306	12/22/2022	P	T MOBILE USA	MONTHLY SERVICE	60.64
552307	12/22/2022	P	THE PITNEY BOWES BANK INC	POSTAGE METER	8,000.00
552308	12/22/2022	P	THERESA (TERRI) MCCAUL	PAYMENT FOR POTTERY SALES AT T	126.75
552309	12/22/2022	P	TURBO DATA SYSTEMS INC	CITATION PROCESSING	11,928.26
552310	12/22/2022	P	TYLER TECHNOLOGIES INC	MUNIS ERP IMPLEMENTATION - UTI	7,000.00
552311	12/22/2022	P	U.S. BANK	PE 12-16-2022 PARS CONTRIBUTIO	3,554.05
552312	12/22/2022	P	UNIFIRST CORPORATION	UNIFORM AND SAFETY MAT RENTAL	1,547.30
552313	12/22/2022	P	VAN LINGEN BODY SHOP INC	TOWING SERVICES	104.50
552314	12/22/2022	P	VANTAGEPOINT TRANSFER AGENTS	PE 12-16-22 RET HEALTH SAVINGS	1,777.07
552315	12/22/2022	P	VITAL MEDICAL SERVICES LLC	OK TO BOOK, BLOOD DRAW AND TES	6,524.00
552316	12/22/2022	P	WALTERS WHOLESALE ELECTRIC CO	ELECTRICAL SUPPLIES 23RD & PEC	3,483.45
552317	12/22/2022	P	WATER REPLENISHMENT DISTRICT	MONTHLY WATER PURCHASES	32,522.43
552318	12/22/2022	P	WECK ANALYTICAL ENVIRONMENTAL SERVICES INC	LABORATORY SERVICES FOR WATER	895.50
552319	12/22/2022	P	WEST COAST TENNIS CAMPS INC	WCT TENNIS CLASSES KEVIN - FAL	34,348.93
552320	12/22/2022	P	WESTMED AMBULANCE INC	EMERGENCY AMBULANCE TRANSPORT	28,880.00
552321	12/22/2022	P	WILLDAN ENGINEERING	INV 00227792 - HRLY PC THRU 11	1,494.53
552322	12/22/2022	P	LA COUNTY CLERK/RECORDER	NOTICE OF EXEMPTION-RESOLUTION	75.00
<b>SUB-TOTAL WARRANT AP122222:</b>					<b>755,480.77</b>
<b>TOTAL WARRANT(S):</b>					<b>\$ 2,449,256.26</b>

# CITY OF MANHATTAN BEACH

## DISBURSEMENT BY FUND

DATED 12/22/2022



<b>Fund</b>	<b>Fund Description</b>	<b>Amount</b>
100	General Fund	1,476,712.79
201	Street Lighting & Landscape Fu	2,806.18
205	Streets, Highways & Sidewalks	159.90
210	Asset Forfeiture Fund	5,000.00
230	Prop. A Fund	947.73
231	Prop. C Fund	11,271.50
233	Measure R	470.00
234	Measure M	11,254.00
401	Capital Improvement Fund	540.00
403	Underground Assessment Distric	1,600.00
501	Water Fund	40,832.30
502	Stormwater Fund	60,325.18
503	Wastewater Fund	48,474.20
520	Parking Fund	26,866.84
521	County Parking Lots Fund	1,221.69
522	State Pier and Parking Lot Fun	10,722.94
601	Insurance Reserve Fund	658,189.77
605	Information Technology Fund	15,275.45
610	Fleet Management Fund	45,497.73

# CITY OF MANHATTAN BEACH

DISBURSEMENT BY FUND

DATED 12/22/2022



615	Building Maintenance & Operati	31,088.06
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<b>GRAND TOTAL:</b>	<b>2,449,256.26</b>
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# CITY OF MANHATTAN BEACH

## WARRANT REGISTER



### WIRES

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
912272022	12/27/2022	W	UNION BANK	F.I.T. / S.I.T. AND MEDICARE	289,861.82
<b>SUB-TOTAL :</b>					<b>289,861.82</b>

### WARRANT #: AP122922

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552323	12/29/2022	P	BIG BELLY SOLAR LLC	BIG BELLY SOLAR TRASH/RECYCLIN	2,323.29
552324	12/29/2022	P	BUTIER ENGINEERING INC	27 MANHATTAN NOV'22 PECK RESER	81,927.50
552325	12/29/2022	P	DELL MARKETING LP	M365 SUBSCRIPTION ADDON	1,078.00
552326	12/29/2022	P	EMPLOYEE REFUND VENDOR	REIMBURSEMENT COSTCO	83.67
552327	12/29/2022	P	EMPLOYEE REFUND VENDOR	REIMBURSEMENT FOR SBCCOG LUNCH	80.00
552328	12/29/2022	P	GLENN A RICK ENGINEERING & DEVELOPMENT	91898 10/29-11/25/22 DESIGN SE	4,630.20
552329	12/29/2022	P	L A COUNTY DEPARTMENT OF PUBLIC WORKS	TRAFFIC SIGNAL MAINTANENCE	10,072.10
552330	12/29/2022	P	MELAD AND ASSOCIATES INC	PC - NOV 2022	44,885.63
552331	12/29/2022	P	MERCHANTS LANDSCAPE SVCS INC	LANDSCAPE MAINTENANCE SERVICES	109,439.54
552332	12/29/2022	P	ORANGE COUNTY SHERIFF'S DEPT	REGISTRATION-ARREST & CONTROL	15.00
552333	12/29/2022	P	PACIFIC HYDROTECH CORPORATION	C2016-024 NOV'22 8 MG PECK RES	1,445,686.54
552334	12/29/2022	P	PROFORCE MARKETING INC	POLICE DEPT SUPPLIES	845.18
552335	12/29/2022	P	QUICK CRETE PRODUCTS CORP	126583 BRUCE BEACH PLAQUE (PED	9,862.67
552336	12/29/2022	P	SOUTH COAST AQMD	EM ELEC GEN DIESEL PECK RESERV	620.61
552337	12/29/2022	P	SOUTHERN CALIFORNIA EDISON	MONTHLY ELECTRIC CHARGES	165.37
552338	12/29/2022	P	SUPERIOR COURT OF CA-CO OF LA	CITATION SURCHARGE - NOVEMBER	62,241.80
552339	12/29/2022	P	THE CODE GROUP INC	PC NOV 2022	30,093.18
552340	12/29/2022	P	UNIFIRST CORPORATION	UNIFORM AND MAT RENTAL AUG 22	1,846.20

# CITY OF MANHATTAN BEACH

## WARRANT REGISTER



### WARRANT #: AP122922

CHECK #	DATE	TYPE	PAYEE NAME	DESCRIPTION	AMOUNT
552341	12/29/2022	P	WILLDAN ENGINEERING	INV 00713654 - MIT&COMPL THRU	51,634.26
<b>SUB-TOTAL WARRANT AP122922:</b>					<b>1,857,530.74</b>
<b>TOTAL WARRANT(S):</b>					<b>2,147,392.56</b>

# CITY OF MANHATTAN BEACH

DISBURSEMENT BY FUND

DATED 12/29/2022



<b>Fund</b>	<b>Fund Description</b>	<b>Amount</b>
100	General Fund	590,897.46
233	Measure R	4,630.20
501	Water Fund	1,531,947.69
502	Stormwater Fund	1,549.06
503	Wastewater Fund	403.16
520	Parking Fund	2,620.86
521	County Parking Lots Fund	2,453.48
522	State Pier and Parking Lot Fun	590.40
605	Information Technology Fund	1,078.00
610	Fleet Management Fund	67.12
615	Building Maintenance & Operati	1,292.46
802	Special Deposits Fund	9,862.67
<b>GRAND TOTAL:</b>		<b>\$2,147,392.56</b>

**CITY OF MANHATTAN BEACH PAYROLL**  
**PAY PERIOD: 11/19/22 TO 12/02/22**  
**PAY DATE: 12/09/22**

**NET PAY 1,288,292.45**

# CITY OF MANHATTAN BEACH

DISBURSEMENT BY FUND

DATED 12/02/2022



<b>Fund</b>	<b>Fund Description</b>	<b>Amount</b>
100	General Fund	1,683,898.54
230	Prop. A Fund	16,547.69
501	Water Fund	47,439.73
502	Stormwater Fund	6,296.18
503	Wastewater Fund	18,035.18
520	Parking Fund	5,796.33
521	County Parking Lots Fund	1,165.54
522	State Pier and Parking Lot Fun	1,165.57
601	Insurance Reserve Fund	15,725.09
605	Information Technology Fund	59,688.85
610	Fleet Management Fund	15,062.90
615	Building Maintenance & Operati	20,545.61
801	Pension Trust Fund	7,669.60
<b>GRAND TOTAL:</b>		<b>1,899,036.81</b>
<b>LESS: DEDUCTIONS</b>		<b><u>610,744.36</u></b>
<b>NET PAYROLL</b>		<b><u>\$1,288,292.45</u></b>



**CITY OF MANHATTAN BEACH PAYROLL**  
**PAY PERIOD: 12/03/22 TO 12/16/22**  
**PAY DATE: 12/23/22**

**NET PAY 1,103,420.70**

# CITY OF MANHATTAN BEACH

DISBURSEMENT BY FUND

DATED 12/16/2022



<b>Fund</b>	<b>Fund Description</b>	<b>Amount</b>
100	General Fund	1,358,051.67
230	Prop. A Fund	16,899.51
501	Water Fund	42,284.40
502	Stormwater Fund	4,034.46
503	Wastewater Fund	17,376.05
520	Parking Fund	5,506.86
521	County Parking Lots Fund	1,095.40
522	State Pier and Parking Lot Fun	1,095.41
601	Insurance Reserve Fund	15,725.07
605	Information Technology Fund	97,467.72
610	Fleet Management Fund	13,705.26
615	Building Maintenance & Operati	21,256.31
801	Pension Trust Fund	7,669.60
<b>GRAND TOTAL:</b>		<b>1,602,167.72</b>
LESS: DEDUCTIONS		<u>498,747.02</u>
<b>NET PAYROLL</b>		<b><u>\$ 1,103,420.70</u></b>

# City of Manhattan Beach

## Finance Department



## Investment Portfolio

### November 2022

As Finance Director for the City of Manhattan Beach, I hereby certify that these investments are in compliance with the City's investment policy (unless otherwise noted). Sufficient liquidity has been maintained to meet budget expenditure requirements for the current six month period.

A handwritten signature in blue ink, appearing to read "Steve S. Charelian". The signature is written over a horizontal line.

Steve S. Charelian, Finance Director

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Summary**  
**November 1, 2022 through November 30, 2022**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
LAIF	40,000,000.00	40,000,000.00	40,000,000.00	32.11	1	1	1.980	2.007
Medium Term Notes	13,000,000.00	12,335,720.00	12,700,666.52	10.20	1,677	734	2.501	2.536
Federal Agency Issues - Coupon	34,000,000.00	32,801,740.00	33,962,952.67	27.27	1,462	658	2.227	2.258
Treasury Securities - Coupon	39,000,000.00	35,757,320.00	37,889,425.44	30.42	1,571	1,106	1.775	1.800
<b>Investments</b>	<b>126,000,000.00</b>	<b>120,894,780.00</b>	<b>124,553,044.63</b>	<b>100.00%</b>	<b>1,048</b>	<b>591</b>	<b>2.038</b>	<b>2.066</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	4,878,053.08	4,878,053.08	4,878,053.08		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>130,878,053.08</b>	<b>125,772,833.08</b>	<b>129,431,097.71</b>		<b>1,048</b>	<b>591</b>	<b>2.038</b>	<b>2.066</b>
<b>Total Earnings</b>								
	<b>November 30</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>					
Current Year		179,954.61	856,135.62					

STEVE S. CHARELIAN, FINANCE DIRECTOR

Reporting period 11/01/2022-11/30/2022

Run Date: 01/06/2023 - 09:25

City Council Meeting  
 January 17, 2023

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
<b>LAIF</b>											
SYS3000	3000	Local Agency Invest. Fund	07/01/2018	40,000,000.00	40,000,000.00	40,000,000.00	2.007		2.007	1	
<b>Subtotal and Average</b>				<b>40,000,000.00</b>	<b>40,000,000.00</b>	<b>40,000,000.00</b>			<b>2.007</b>	<b>1</b>	
<b>Medium Term Notes</b>											
037833AK6	MTN0098	APPLE INC	05/22/2018	1,000,000.00	990,040.00	993,212.52	2.400	AA+	3.298	153	05/03/2023
037833DB3	MTN0112	APPLE INC	10/25/2022	1,000,000.00	945,370.00	914,486.00	2.900		4.905	1,746	09/12/2027
023135BX3	MTN0111	AMAZON.COM LLC	02/24/2022	1,000,000.00	891,370.00	962,522.34	1.000	AA	1.963	1,258	05/12/2026
06406FAD5	MTN0106	BANK OF NY MELLO	09/09/2019	1,000,000.00	982,070.00	1,009,011.00	2.200	A	1.951	258	08/16/2023
06406RAL1	MTN0109	BANK OF NY MELLO	02/10/2020	1,000,000.00	952,700.00	1,011,205.00	2.100	A	1.850	693	10/24/2024
254687FK7	MTN0107	Walt Disney	12/12/2019	2,000,000.00	1,900,200.00	1,990,531.60	1.750	A-	1.977	638	08/30/2024
478160CP7	MTN0113	Johnson & Johnson	10/25/2022	1,000,000.00	869,630.00	840,970.00	0.950		4.593	1,735	09/01/2027
191216CL2	MTN0108	COCA-COLA CO	12/12/2019	1,000,000.00	959,150.00	993,679.00	1.750	A+	1.890	645	09/06/2024
594918BQ6	MTN0104	MICROSOFT CORP	07/01/2019	1,000,000.00	982,670.00	999,000.00	2.000	AAA	2.025	250	08/08/2023
58933YAY1	MTN0110	MERCK & CO INC	10/05/2021	1,000,000.00	895,370.00	991,420.00	0.750	A+	0.950	1,181	02/24/2026
89236TFN0	MTN0099	TOYOTA MOTOR CREDIT	09/21/2018	1,000,000.00	988,450.00	999,500.00	3.450	A+	3.461	293	09/20/2023
89236TDK8	MTN0101	TOYOTA MOTOR CREDIT	03/26/2019	1,000,000.00	978,700.00	995,129.06	2.250	A+	2.634	321	10/18/2023
<b>Subtotal and Average</b>				<b>13,000,000.00</b>	<b>12,335,720.00</b>	<b>12,700,666.52</b>			<b>2.536</b>	<b>734</b>	
<b>Federal Agency Issues - Coupon</b>											
3133EJDE6	FAC0271	FED FARM CR BK	02/16/2018	2,000,000.00	1,991,720.00	1,998,598.80	2.570	AA+	2.708	77	02/16/2023
3133EJSD2	FAC0276	FED FARM CR BK	10/02/2018	2,000,000.00	1,978,660.00	1,990,360.00	2.890	AA+	3.000	200	06/19/2023
3133EJK57	FAC0278	FED FARM CR BK	12/12/2018	2,000,000.00	1,975,720.00	2,005,564.87	3.080	AA+	2.840	235	07/24/2023
3133ENPX2	FAC0294	FED FARM CR BK	02/24/2022	1,000,000.00	938,710.00	997,642.00	1.800	AA+	1.870	995	08/22/2025
3133EJDV8	FAC0296	FED FARM CR BK	04/11/2022	2,000,000.00	1,930,120.00	2,037,426.79	3.150	AA+	2.747	1,572	03/22/2027
3133ENWP1	FAC0297	FED FARM CR BK	05/16/2022	2,000,000.00	1,942,600.00	2,000,000.00	2.625	AA+	2.625	532	05/16/2024
3133ENEJ5	FAC0301	FED FARM CR BK	06/17/2022	1,000,000.00	933,080.00	944,835.84	0.875		3.250	718	11/18/2024
3133ENV72	FAC0303	FED FARM CR BK	10/27/2022	1,000,000.00	1,011,560.00	998,356.00	4.500		4.550	1,334	07/27/2026
3130A3KM5	FAC0268	Federal Home Loan Bank	01/10/2018	2,000,000.00	1,999,400.00	2,001,325.94	2.500	AA+	2.357	8	12/09/2022
3130A2UW4	FAC0285	Federal Home Loan Bank	12/11/2019	2,000,000.00	1,942,120.00	2,049,048.42	2.875		1.771	652	09/13/2024
3130AGWK7	FAC0289	Federal Home Loan Bank	02/07/2020	1,000,000.00	949,950.00	1,001,306.00	1.500	AA+	1.470	623	08/15/2024
3130A1XJ2	FAC0291	Federal Home Loan Bank	02/04/2021	1,000,000.00	972,790.00	1,051,883.06	2.875	AA+	0.312	561	06/14/2024
3130A8ZQ9	FAC0293	Federal Home Loan Bank	02/24/2022	1,000,000.00	936,410.00	995,852.00	1.750	AA+	1.871	1,016	09/12/2025
3130ASDS5	FAC0300	Federal Home Loan Bank	06/17/2022	1,000,000.00	972,160.00	990,620.00	2.750		3.230	575	06/28/2024
3130AN4T4	FAC0302	Federal Home Loan Bank	10/24/2022	1,000,000.00	895,610.00	878,187.00	0.875		4.343	1,289	06/12/2026
3137EAEX3	FAC0298	Federal Home Loan Mortgage	05/13/2022	2,000,000.00	1,799,700.00	1,851,447.42	0.375	AA+	2.722	1,027	09/23/2025
3135G0W66	FAC0286	Fannie Mae	12/11/2019	2,000,000.00	1,896,900.00	1,993,020.00	1.625	AA+	1.700	684	10/15/2024

Portfolio CITY  
CP

PM (PRF\_PM2) 7.3.11

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to 365 Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>											
3135G0W66	FAC0287	Fannie Mae	02/07/2020	2,000,000.00	1,896,900.00	2,011,260.00	1.625	AA+	1.500	684	10/15/2024
3135G0V75	FAC0288	Fannie Mae	02/07/2020	2,000,000.00	1,915,540.00	2,010,053.35	1.750	AA+	1.526	579	07/02/2024
3135G0V75	FAC0290	Fannie Mae	02/04/2021	1,000,000.00	957,770.00	1,030,532.13	1.750	AA+	0.259	579	07/02/2024
3135G0U43	FAC0292	Fannie Mae	02/04/2021	1,000,000.00	985,100.00	1,032,548.30	2.875	AA+	0.499	285	09/12/2023
880591EW8	FAC0295	Tennessee Valley Authority	02/24/2022	1,000,000.00	912,130.00	969,705.09	0.750	AA+	1.763	896	05/15/2025
880591CJ9	FAC0299	Tennessee Valley Authority	05/13/2022	1,000,000.00	1,067,090.00	1,123,379.66	6.750	AA+	2.894	1,066	11/01/2025
<b>Subtotal and Average</b>				<b>34,000,000.00</b>	<b>32,801,740.00</b>	<b>33,962,952.67</b>			<b>2.258</b>	<b>658</b>	
<b>Treasury Securities - Coupon</b>											
912828S92	UST0029	US TREASURY	02/14/2019	1,000,000.00	977,340.00	987,069.26	1.250		2.525	242	07/31/2023
912828D1	UST0030	US TREASURY	02/14/2019	1,000,000.00	975,200.00	987,472.35	1.375		2.432	273	08/31/2023
912828W48	UST0033	US TREASURY	05/13/2019	1,000,000.00	969,490.00	995,039.06	2.125		2.234	455	02/29/2024
912828W71	UST0034	US TREASURY	05/13/2019	1,000,000.00	967,730.00	994,687.50	2.125		2.240	486	03/31/2024
912828U3	UST0035	US TREASURY	02/07/2020	2,000,000.00	1,912,040.00	2,017,666.34	1.875		1.493	639	08/31/2024
912828ZW3	UST0036	US TREASURY	05/28/2021	1,000,000.00	906,480.00	989,911.69	0.250		0.561	942	06/30/2025
912828ZW3	UST0039	US TREASURY	08/11/2021	1,000,000.00	906,480.00	989,626.54	0.250		0.591	942	06/30/2025
912828ZT0	UST0047	US TREASURY	12/08/2021	1,000,000.00	907,340.00	976,882.03	0.250		1.058	912	05/31/2025
912828ZC7	UST0051	US TREASURY	12/09/2021	1,000,000.00	933,200.00	1,003,906.25	1.125		1.001	820	02/28/2025
912828Z78	UST0054	US TREASURY	04/08/2022	2,000,000.00	1,815,000.00	1,898,276.95	1.500		2.665	1,522	01/31/2027
912828A7	UST0057	US TREASURY	06/17/2022	1,000,000.00	914,610.00	927,509.56	1.500		3.287	1,353	08/15/2026
912828X88	UST0059	US TREASURY	09/01/2022	1,000,000.00	938,240.00	959,556.97	2.375		3.285	1,626	05/15/2027
912828X88	UST0060	US TREASURY	09/01/2022	1,000,000.00	938,240.00	959,101.56	2.375		3.295	1,626	05/15/2027
912828ZV5	UST0062	US TREASURY	09/01/2022	1,000,000.00	859,570.00	875,507.81	0.500		3.241	1,672	06/30/2027
912828YQ7	UST0064	US TREASURY	10/25/2022	1,000,000.00	915,940.00	897,823.26	1.625		4.180	1,430	10/31/2026
91282CAB7	UST0037	US TREASURY	05/28/2021	2,000,000.00	1,806,100.00	1,978,687.40	0.250		0.576	973	07/31/2025
91282CAJ0	UST0038	US TREASURY	05/28/2021	1,000,000.00	899,840.00	987,818.02	0.250		0.620	1,004	08/31/2025
91282CAB7	UST0040	US TREASURY	08/11/2021	1,000,000.00	903,050.00	989,266.30	0.250		0.601	973	07/31/2025
91282CAJ0	UST0041	US TREASURY	08/11/2021	1,000,000.00	899,840.00	988,409.68	0.250		0.586	1,004	08/31/2025
91282CAZ4	UST0042	US TREASURY	08/09/2021	1,000,000.00	896,370.00	990,074.24	0.375		0.658	1,095	11/30/2025
91282CAB7	UST0043	US TREASURY	10/05/2021	1,000,000.00	903,050.00	986,324.18	0.250		0.681	973	07/31/2025
91282CAT8	UST0044	US TREASURY	10/05/2021	2,000,000.00	1,792,500.00	1,967,002.06	0.250		0.707	1,065	10/31/2025
91282CCW9	UST0045	US TREASURY	10/05/2021	1,000,000.00	888,130.00	992,500.00	0.750		0.907	1,369	08/31/2026
91282CCP4	UST0046	US TREASURY	10/05/2021	1,000,000.00	885,900.00	989,051.44	0.625		0.892	1,338	07/31/2026
91282CCF6	UST0048	US TREASURY	12/09/2021	1,000,000.00	893,910.00	983,274.82	0.750		1.191	1,277	05/31/2026
91282CCJ8	UST0049	US TREASURY	12/09/2021	1,000,000.00	896,450.00	987,351.44	0.875		1.176	1,307	06/30/2026
91282CCZ2	UST0050	US TREASURY	12/09/2021	1,000,000.00	890,820.00	985,809.51	0.875		1.210	1,399	09/30/2026

Portfolio CITY  
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**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Treasury Securities - Coupon</b>											
91282CAM3	UST0052	US TREASURY	02/24/2022	2,000,000.00	1,799,460.00	1,901,147.87	0.250		1.678	1,034	09/30/2025
91282CDG3	UST0053	US TREASURY	04/08/2022	1,000,000.00	897,970.00	936,228.42	1.125		2.581	1,430	10/31/2026
91282CEH0	UST0055	US TREASURY	05/16/2022	1,000,000.00	963,520.00	996,500.00	2.625		2.750	866	04/15/2025
91282CCP4	UST0056	US TREASURY	06/17/2022	1,000,000.00	885,900.00	895,371.44	0.625		3.187	1,338	07/31/2026
91282CCZ2	UST0058	US TREASURY	06/17/2022	1,000,000.00	890,820.00	901,152.39	0.875		3.302	1,399	09/30/2026
91282CEW7	UST0061	US TREASURY	09/01/2022	1,000,000.00	973,980.00	997,755.04	3.250		3.300	1,672	06/30/2027
91282CFB2	UST0063	US TREASURY	09/01/2022	1,000,000.00	952,810.00	975,664.06	2.750		3.309	1,703	07/31/2027
<b>Subtotal and Average</b>				<b>39,000,000.00</b>	<b>35,757,320.00</b>	<b>37,889,425.44</b>			<b>1.800</b>	<b>1,106</b>	
<b>Total and Average</b>				<b>126,000,000.00</b>	<b>120,894,780.00</b>	<b>124,553,044.63</b>			<b>2.066</b>	<b>591</b>	

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**November 30, 2022**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Money Market Fund</b>										
SYS39903-39902	39901	UNION BANK	07/01/2018	4,878,053.08	4,878,053.08	4,878,053.08			0.000	1
<b>Subtotal and Average</b>										<b>1</b>
<b>Total Cash and Investments</b>				<b>130,878,053.08</b>	<b>125,772,833.08</b>	<b>129,431,097.71</b>			<b>2.066</b>	<b>591</b>





**City of Manhattan Beach**  
**Investment Portfolio Summary**  
*As of November 30, 2022*

PORTFOLIO PROFILE	Nov 30, 2022	Oct 31, 2022	Sep 30, 2022	Aug 31, 2022	Jul 31, 2022
Total Book Value (Excluding Trust Funds)	\$124,553,045	\$124,553,045	\$127,010,065	\$127,239,505	\$130,236,392
Increase/(Decrease) from Prior Period	-	(2,457,020)	(229,440)	(2,996,887)	(2,998,458)
Percentage Change	0.0%	(1.9%)	(0.2%)	(2.3%)	(2.3%)
Average Yield to Maturity (365 Days)	2.066%	1.991%	1.808%	1.669%	1.624%
Increase/(Decrease) from Prior Period	0.076%	0.183%	0.139%	0.045%	0.060%

**PORTFOLIO ALLOCATIONS**

By Security	Value (Par)	Percent	Par YTM	Time Horizon	Percent
LAIF*	\$40,000,000	31.75%	2.007%	Next 12 months	44%
Medium Term Notes	13,000,000	10.3%	2.536%	Months 13-24	18%
Federal Agencies	34,000,000	27.0%	2.258%	Months 25-36	17%
U.S. Treasuries	39,000,000	31.0%	1.800%	Months 37-48	11%
<b>Total</b>	<b>\$126,000,000</b>	<b>100.0%</b>	<b>2.065%</b>	Months 49-60	9%
				<b>Total</b>	<b>100.0%</b>

\*LAIF YTM as of November 30, 2022

**RECENT ACTIVITY**

Security	Date of Activity	Maturity Date	Purchase (Par)	Maturing/Call	YTM
T - 1.625% Coupon	10/24/2022	10/31/2026	1,000,000		4.180%
MTN - 2.9% Coupon	10/24/2022	9/12/2027	1,000,000		4.905%
MTN - 0.95% Coupon	10/24/2022	9/1/2027	1,000,000		4.593%
FHLB - 0.875% Coupon	10/24/2022	6/12/2026	1,000,000		4.343%
FFCB - 4.5% Coupon	10/24/2022	7/27/2026	1,000,000		4.550%
<b>Total Purchases</b>			<b>\$5,000,000</b>		<b>4.514%</b>
Matured: T - 2% Coupon	8/1/2022	7/31/2022		2,000,000	2.681%
Matured: T - 2% Coupon	8/1/2022	7/31/2022		1,000,000	2.510%
Matured: TVA - 1.875% Coupon	8/15/2022	8/15/2022		2,000,000	2.793%
Matured: TVA - 1.875% Coupon	8/15/2022	8/15/2022		1,000,000	2.493%
Matured: MTN - 2.5% Coupon	10/15/2022	10/15/2022		1,000,000	2.640%
Matured: T - 2% Coupon	10/31/2022	10/31/2022		1,000,000	2.250%
<b>Total Maturing/Calls</b>				<b>\$8,000,000</b>	<b>2.605%</b>



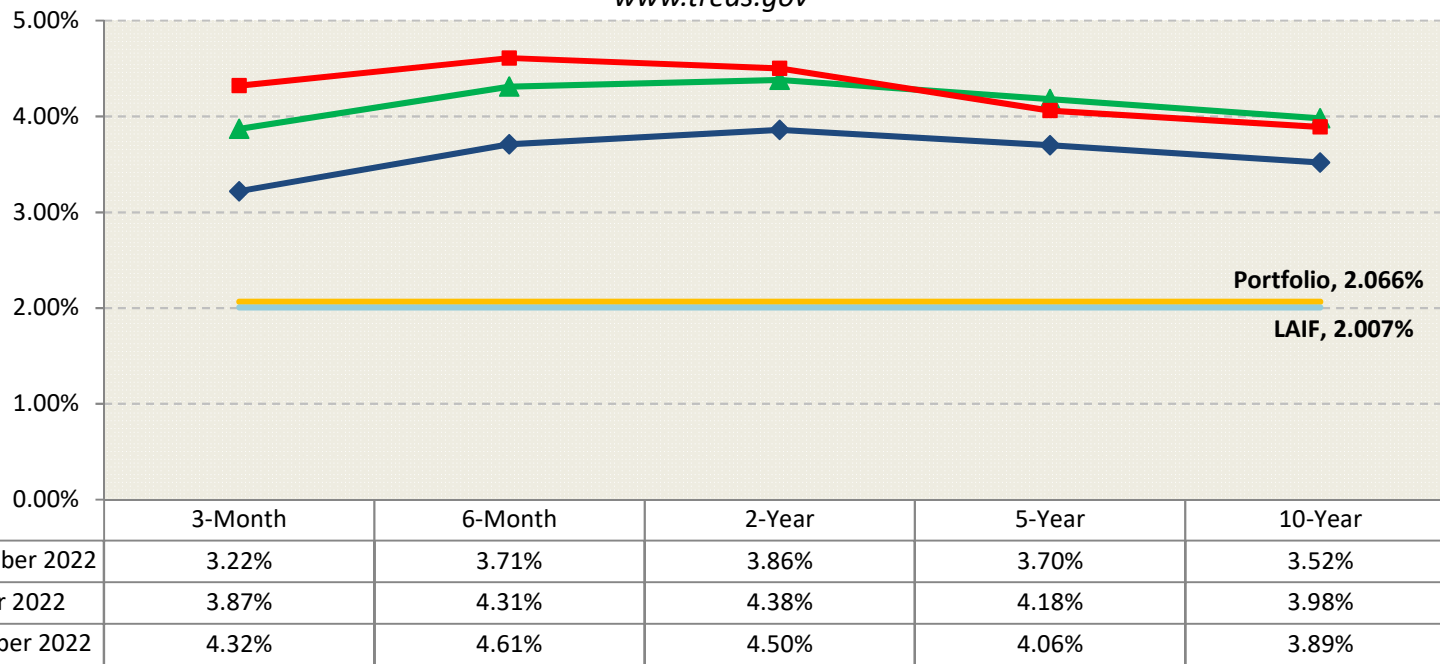
# City of Manhattan Beach Investment Portfolio Summary *As of November 30, 2022*

FUNDS HELD IN TRUST	Value
Police/Fire Refunding Bonds	\$35.98
Fire Station 2 COPs	60.81
Marine Avenue Refunding Bonds	1.25
Pension Obligation Bonds	2,436.89
Metlox & Water/Wastewater Refunding Bonds	8,327.40
UUAD Assessment Refunding Bonds	512,323.66
UUAD Assessment District 12 & 14	403,578.84
UUAD Assessment District 4	204,036.73
PARS Investment Trust	2,761,607.27
<b>Total Funds Held in Trust</b>	<b>\$3,892,408.83</b>

As of November 30, 2022

## US Treasuries Yield Curve

*www.treas.gov*



Monthly yields are interpolated by the Treasury from the daily yield curve.

**CITY OF MANHATTAN BEACH**  
**Portfolio Maturity Structure**  
*December 2022 through November 2027*

**HELD TO MATURITY**  
**Rolling 60 Months**

Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt						
Dec 22	12/9/22	2.4%	FHLB	nc	\$2.0M	Dec 23						Dec 24						Dec 25						Dec 26					
Jan 23						Jan 24						Jan 25						Jan 26						Jan 27	1/31/27	2.67%	T	nc	\$2.0M
Feb 23	2/16/23	2.7%	FFCB	nc	\$2.0M	Feb 24	2/29/24	2.23%	T	nc	\$1.0M	Feb 25	2/28/25	1.00%	T	nc	\$1.0M	Feb 26	2/24/26	0.95%	MTN	MW: 10	\$1.0M	Feb 27					
Mar 23						Mar 24	3/31/24	2.24%	T	nc	\$1.0M	Mar 25						Mar 26						Mar 27	3/22/27	2.75%	FFCB	nc	\$2.0M
Apr 23						Apr 24						Apr 25	4/15/25	2.75%	T	nc	\$1.0M	Apr 26						Apr 27					
May 23	5/3/23	3.3%	MTN	MW: 15	\$1.0M	May 24	5/16/24	2.63%	FFCB	nc	\$2.0M	May 25	5/15/25	1.76%	TVA	nc	\$1.0M	May 26	5/31/26	1.19%	T	nc	\$1.0M	May 27	5/15/27	3.28%	T	nc	\$1.0M
													5/31/25	1.06%	T	nc	\$1.0M		5/12/26	1.96%	MTN	nc	\$1.0M		5/15/27	3.29%	T	nc	\$1.0M
Jun 23	6/19/23	3.0%	FFCB	nc	\$2.0M	Jun 24	6/14/24	0.31%	FHLB	nc	\$1.0M	Jun 25	6/30/25	0.56%	T	nc	\$1.0M	Jun 26	6/30/26	1.18%	T	nc	\$1.0M	Jun 27	6/30/27	3.30%	T	nc	\$1.0M
							6/28/24	3.23%	FHLB	nc	\$1.0M		6/30/25	0.59%	T	nc	\$1.0M		6/12/26	4.34%	FHLB	nc	\$1.0M		6/30/27	3.24%	T	nc	\$1.0M
Jul 23	7/24/23	2.8%	FFCB	nc	\$2.0M	Jul 24	7/2/24	1.53%	FNMA	nc	\$2.0M	Jul 25	7/31/25	0.58%	T	nc	\$2.0M	Jul 26	7/31/26	0.89%	T	nc	\$1.0M	Jul 27	7/31/27	3.31%	T	nc	\$1.0M
	7/31/23	2.5%	T	nc	\$1.0M		7/2/24	0.26%	FNMA	nc	\$1.0M		7/31/25	0.60%	T	nc	\$1.0M		7/31/26	3.19%	T	nc	\$1.0M						
													7/31/25	0.68%	T	nc	\$1.0M		7/27/26	4.55%	FFCB	nc	\$1.0M						
Aug 23	8/31/23	2.4%	T	nc	\$1.0M	Aug 24	8/15/24	1.47%	FHLB	nc	\$1.0M	Aug 25	8/31/25	0.62%	T	nc	\$1.0M	Aug 26	8/31/26	0.91%	T	nc	\$1.0M	Aug 27					
	8/8/23	2.0%	MTN	MW:12.5	\$1.0M		8/30/24	1.98%	MTN	7/30/24	\$2.0M		8/31/25	0.59%	T	nc	\$1.0M		8/15/26	3.29%	T	nc	\$1.0M						
	8/16/23	2.0%	MTN	6/16/23	\$1.0M		8/31/24	1.49%	T	nc	\$2.0M		8/22/25	1.87%	FFCB	nc	\$1.0M												
Sep 23	9/20/23	3.5%	MTN	nc	\$1.0M	Sep 24	9/6/24	1.89%	MTN	9/6/24	\$1.0M	Sep 25	9/12/25	1.87%	FHLB	nc	\$1.0M	Sep 26	9/30/26	1.21%	T	nc	\$1.0M	Sep 27	9/12/27	4.91%	MTN	nc	\$1.0M
	9/12/23	0.5%	FNMA	nc	\$1.0M		9/13/24	1.77%	FHLB	nc	\$2.0M		9/23/25	2.72%	FHLMC	nc	\$2.0M		9/30/26	3.30%	T	nc	\$1.0M		9/1/27	4.59%	MTN	nc	\$1.0M
													9/30/25	1.68%	T	nc	\$2.0M												
Oct 23	10/18/23	2.6%	MTN	nc	\$1.0M	Oct 24	10/15/24	1.70%	FNMA	nc	\$2.0M	Oct 25	10/31/25	0.71%	T	nc	\$2.0M	Oct 26	10/31/26	2.58%	T	nc	\$1.0M	Oct 27					
							10/15/24	1.50%	FNMA	nc	\$2.0M								10/31/26	4.18%	T	nc	\$1.0M						
							10/24/24	1.85%	MTN	9/6/24	\$1.0M																		
Nov 23						Nov 24	11/18/24	3.25%	FFCB	nc	\$1.0M	Nov 25	11/30/25	0.66%	T	nc	\$1.0M	Nov 26						Nov 27					
													11/1/25	2.89%	TVA	nc	\$1.0M												
<b>Total By Year (excl LAIF)</b>					<b>\$16.0m</b>						<b>\$23.0m</b>						<b>\$22.0m</b>						<b>\$14.0m</b>						<b>\$11.0m</b>
<b>% of Total Securities (excl LAIF)</b>					<b>19%</b>						<b>27%</b>						<b>26%</b>						<b>16%</b>						<b>13%</b>
<b>% of Total Investments (incl LAIF)</b>					<b>44%</b>						<b>18%</b>						<b>17%</b>						<b>11%</b>						<b>9%</b>

Total Securities	68%	\$86.0M
LAIF	32%	\$40.0M
<b>Total Investments</b>	<b>100%</b>	<b>\$126.0M</b>

*Shaded rows indicate months with significant cash inflows.*

**City of Manhattan Beach**  
**Investment Policy Compliance Chart**  
*As of November 30, 2022*

Instrument		% of Total	Dollar Compliance		Percentage Compliance		Term Compliance	
			Limit	Compliant?	Limit	Compliant?	Limit	Compliant?
Local Agency Investment Fund (LAIF)	\$40,000,000	31.7%	\$75,000,000	Yes	Temporary Suspension			
<b>Treasury Securities</b>								
US Treasury	\$39,000,000	31.0%					5 Years	Yes
<b>Total U.S. Treasuries (34)</b>		<b>\$39,000,000</b>	<b>31.0%</b>					
<b>Medium Term (Corporate) Notes</b>								
Coca-Cola	1,000,000	0.8%			5.0%	Yes	5 Years	Yes
Amazon	1,000,000	0.8%			5.0%	Yes	5 Years	Yes
<b>Total Consumer Goods Sector</b>		<b>\$2,000,000</b>	<b>1.6%</b>		<b>10.0%</b>	<b>Yes</b>		
Toyota Motor Credit	2,000,000	1.6%			5.0%	Yes	5 Years	Yes
Bank of NY	2,000,000	1.6%			5.0%	Yes	5 Years	Yes
<b>Total Financial Sector</b>		<b>\$4,000,000</b>	<b>3.2%</b>		<b>10.0%</b>	<b>Yes</b>		
Johnson & Johnson	1,000,000	0.8%			5.0%	Yes	5 Years	Yes
Merck	1,000,000	0.8%			5.0%	Yes	5 Years	Yes
<b>Total Pharmaceuticals Sector</b>		<b>\$2,000,000</b>	<b>1.6%</b>		<b>10.0%</b>	<b>Yes</b>		
Apple Inc	2,000,000	1.6%			5.0%	Yes	5 Years	Yes
Microsoft Corp	1,000,000	0.8%			5.0%	Yes	5 Years	Yes
<b>Total Technology Sector</b>		<b>\$3,000,000</b>	<b>2.4%</b>		<b>10.0%</b>	<b>Yes</b>		
Walt Disney Co	2,000,000	1.6%			5.0%	Yes	5 Years	Yes
<b>Total Communication Services Sector</b>		<b>\$2,000,000</b>						
<b>Total Medium Term Notes (12)</b>		<b>\$13,000,000</b>	<b>10.3%</b>		<b>20.0%</b>	<b>Yes</b>		
<b>Federal Agencies</b>								
Federal Home Loan Bank (FHLB)	\$9,000,000	7.1%			33.3%	Yes	5 Years	Yes
Federal Farm Credit (FFCB)	13,000,000	10.3%			33.3%	Yes	5 Years	Yes
Fannie Mae (FNMA)	8,000,000	6.3%			33.3%	Yes	5 Years	Yes
Freddie Mac (FHLMC)	2,000,000	1.6%			33.3%	Yes	5 Years	Yes
Tennessee Valley Authority (TVA)	2,000,000	1.6%			33.3%	Yes	5 Years	Yes
<b>Total Federal Agencies (23)</b>		<b>\$34,000,000</b>	<b>27.0%</b>		<b>60.0%</b>	<b>Yes</b>		
<b>Total Portfolio</b>	<b>\$126,000,000</b>	<b>100.0%</b>						



**CITY OF MANHATTAN BEACH**  
**TREASURER'S REPORT**  
**November 30, 2022**

<b><u>Investments</u></b>	<b>Book Value</b>
LAIF	\$40,000,000.00
Treasury Securities	37,889,425.44
Federal Agency Issues-Coupon	33,962,952.67
Medium Term Notes	12,700,666.52
<b>Subtotal Investments</b>	<b><u>\$124,553,044.63</u></b>
<b><u>Demand Deposit/Petty Cash</u></b>	
Cash in Bank	\$4,878,053.08
Petty Cash	2,771.41
<b>Subtotal Demand Deposit</b>	<b><u>\$4,880,824.49</u></b>
<b>Subtotal City Cash &amp; Investments</b>	<b><u>\$129,433,869.12</u></b>
<b><u>Bond Funds Held in Trust</u></b>	
Police Fire Refunding	\$35.98
Fire Station 2 COPs	60.81
Marine Ave Park Refunding	1.25
Metlox & Water/Wastewater Refunding	8,327.40
Utility Assessment Districts	1,119,939.23
Pension Obligation Bonds	2,436.89
<b>Subtotal Bonds Held in Trust</b>	<b><u>\$1,130,801.56</u></b>
<b><u>Investment Trust Funds</u></b>	
PARS Pension Rate Stabilization Trust	2,761,607.27
 <b>Treasurer's Balance</b>	 <b><u><u>\$133,326,277.95</u></u></b>



# PMIA/LAIF Performance Report as of 12/14/22



## PMIA Average Monthly Effective Yields<sup>(1)</sup>

November	2.007
October	1.772
September	1.513

## Quarterly Performance Quarter Ended 09/30/22

LAIF Apportionment Rate <sup>(2)</sup> :	1.35
LAIF Earnings Ratio <sup>(2)</sup> :	0.00003699565555327
LAIF Fair Value Factor <sup>(1)</sup> :	0.980760962
PMIA Daily <sup>(1)</sup> :	1.63%
PMIA Quarter to Date <sup>(1)</sup> :	1.29%
PMIA Average Life <sup>(1)</sup> :	304

## Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 11/30/22 \$203.7 billion

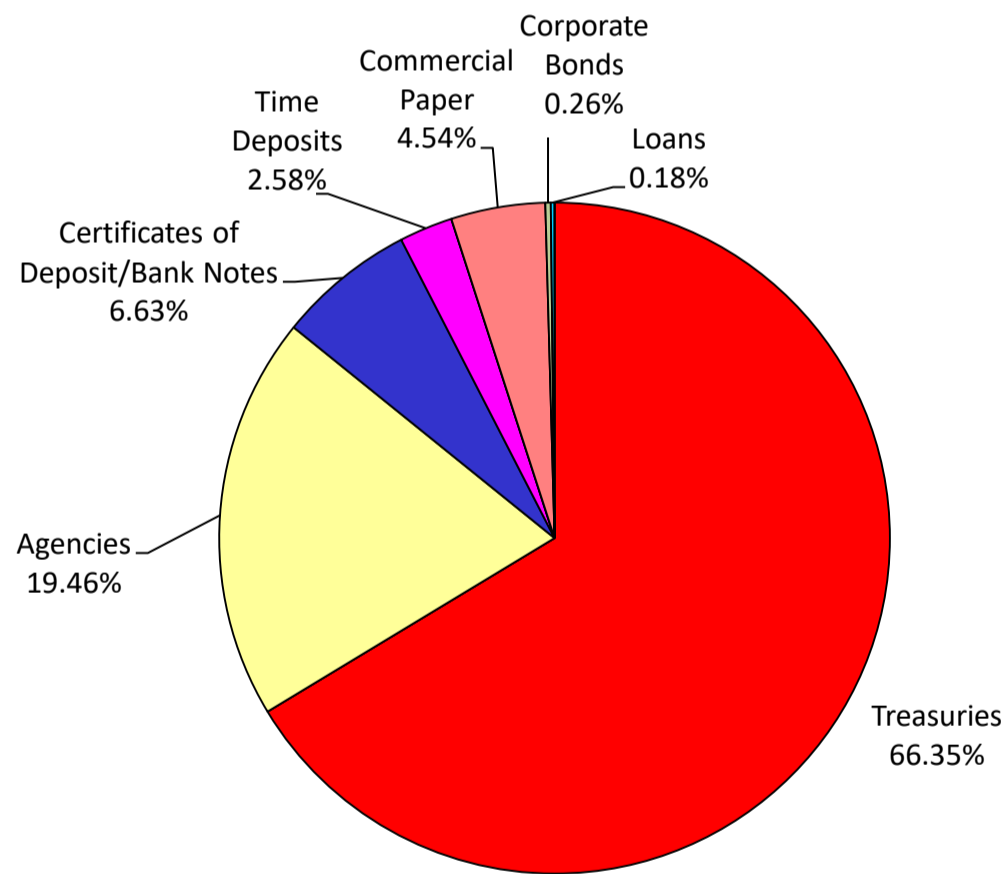


Chart does not include \$3,542,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller

# City of Manhattan Beach

## Finance Department



## Month End Report November 30, 2022

### Fiscal Year 2022-2023



City of Manhattan Beach  
 Fiscal Year 2022-2023 Statement of Revenues & Expenditures  
 As of November 30, 2022

**% of Year  
41.7%**

Current Year Activity

	Fund No.	Adjusted			Adjusted			
		Budget Revenues	YTD Revenues	% Realized	Budget Expenditures	Year-to-Date		% Utilized
					Expenditures	Encumbrances		
General Fund	100	\$86,669,227	\$23,370,734	27.0%	\$86,029,658	\$30,510,364	\$1,078,647	36.7%
Street Lighting & Landscaping Fund	201	390,822	1,821	0.5%	665,796	193,107	5,322	29.8%
Gas Tax Fund	205	1,798,763	732,570	40.7%	2,075,257	189,603	1,106,479	62.5%
Asset Forfeiture	210	41,800	18,748	44.9%	135,497	9,783	27,747	27.7%
Police Safety Grants	211	159,000	131,991	83.0%	209,693	24,500	30,193	26.1%
Prop A Fund	230	883,003	415,667	47.1%	788,363	278,599	6,560	36.2%
Prop C Fund	231	712,451	566,068	79.5%	3,511,593	453,735	1,522,432	56.3%
AB 2766 Fund	232	47,500	17,277	36.4%	673	280	-	41.6%
Measure R	233	547,088	390,633	71.4%	1,175,677	42,348	883,198	78.7%
Measure M	234	7,121,033	308,680	4.3%	7,461,244	66,439	548,515	8.2%
Measure W	240	1,611,500	37,609	2.3%	2,349,197	47,738	1,101,650	48.9%
Capital Improvements Fund	401	1,605,438	753,258	46.9%	8,794,476	1,178,556	3,022,727	47.8%
Bond Construction Fund	402	-	231,228	n/a	5,405,236	1,683,307	3,721,929	100.0%
Underground Assessment District Construction	403	-	109,865	n/a	1,552,206	59,586	244,019	19.6%
Water Fund	501	16,472,500	3,792,085	23.0%	28,519,324	11,399,476	10,612,188	77.2%
Stormwater Fund	502	344,484	59,656	17.3%	2,139,873	494,981	164,360	30.8%
Wastewater Fund	503	3,628,000	1,210,626	33.4%	5,411,858	889,170	1,145,960	37.6%
Parking Fund	520	3,983,200	2,052,551	51.5%	2,861,687	870,346	22,831	31.2%
County Parking Lots Fund	521	1,363,000	617,024	45.3%	953,214	79,712	-	8.4%
State Pier & Parking Lot Fund	522	833,500	423,891	50.9%	795,910	164,096	49,595	26.8%
Insurance Reserve Fund	601	7,549,860	3,204,494	42.4%	8,278,953	5,832,736	191,516	72.8%
Information Systems Reserve Fund	605	3,698,533	1,541,052	41.7%	4,738,564	1,266,359	605,617	39.5%
Fleet Management Fund	610	2,772,827	1,101,053	39.7%	4,593,948	1,162,420	1,734,406	63.1%
Building Maintenance & Operation Fund	615	2,195,831	705,169	32.1%	2,596,244	721,547	377,588	42.3%
Special Assessment Debt Service	710	714,150	5,355	0.7%	700,450	663,875	-	94.8%
Special Assessment UAD 19-12 19-14 Fund	711	606,106	6,313	1.0%	609,007	499,453	-	82.0%
Special Assessment UAD 19-4 Fund	712	337,613	3,496	1.0%	341,813	278,506	-	81.5%
City Pension Fund	801	264,480	833	0.3%	196,680	79,088	-	40.2%
PARS Investment Trust	804	50,000	20,531	41.1%	-	-	-	-
		<b>\$146,401,709</b>	<b>\$41,830,277</b>	<b>28.6%</b>	<b>\$182,892,091</b>	<b>\$59,139,709</b>	<b>\$28,203,478</b>	<b>32.3%</b>





City of Manhattan Beach  
 Fiscal Year 2022-2023 Citywide Revenues  
 As of November 30, 2022

**% of Year  
41.7%**

Current Year Activity

	Fund No.	Original Budget	Budget Adjustments	Adjusted Budget	Year-to-Date Actuals	Unrealized Amount	% Realized
General Fund	100	\$86,669,227	\$0	\$86,669,227	\$23,370,734	63,298,493	27.0%
Street Lighting & Landscaping Fund	201	390,822	-	390,822	1,821	389,001	0.5%
Gas Tax Fund	205	1,798,763	-	1,798,763	732,570	1,066,193	40.7%
Asset Forfeiture	210	41,800	-	41,800	18,748	23,052	44.9%
Police Safety Grants	211	159,000	-	159,000	131,991	27,009	83.0%
Prop A Fund	230	883,003	-	883,003	415,667	467,336	47.1%
Prop C Fund	231	712,451	-	712,451	566,068	146,383	79.5%
AB 2766 Fund	232	47,500	-	47,500	17,277	30,223	36.4%
Measure R	233	547,088	-	547,088	390,633	156,455	71.4%
Measure M	234	5,921,033	1,200,000	7,121,033	308,680	6,812,353	4.3%
Measure W	240	1,611,500	-	1,611,500	37,609	1,573,891	2.3%
Capital Improvements Fund	401	1,605,438	-	1,605,438	753,258	852,180	46.9%
Bond Construction Fund	402	-	-	-	231,228	(231,228)	100.0%
Underground Assessment District Construction	403	-	-	-	109,865	(109,865)	100.0%
Water Fund	501	16,472,500	-	16,472,500	3,792,085	12,680,415	23.0%
Stormwater Fund	502	344,484	-	344,484	59,656	284,828	17.3%
Wastewater Fund	503	3,628,000	-	3,628,000	1,210,626	2,417,374	33.4%
Parking Fund	520	3,983,200	-	3,983,200	2,052,551	1,930,649	51.5%
County Parking Lots Fund	521	1,363,000	-	1,363,000	617,024	745,976	45.3%
State Pier & Parking Lot Fund	522	833,500	-	833,500	423,891	409,609	50.9%
Insurance Reserve Fund	601	7,549,860	-	7,549,860	3,204,494	4,345,366	42.4%
Information Systems Reserve Fund	605	3,698,533	-	3,698,533	1,541,052	2,157,481	41.7%
Fleet Management Fund	610	2,772,827	-	2,772,827	1,101,053	1,671,774	39.7%
Building Maintenance & Operation Fund	615	2,195,831	-	2,195,831	705,169	1,490,662	32.1%
Special Assessment Debt Service	710	714,150	-	714,150	5,355	708,795	0.7%
Special Assessment UAD 19-12 19-14 Fund	711	606,106	-	606,106	6,313	599,793	1.0%
Special Assessment UAD 19-4 Fund	712	337,613	-	337,613	3,496	334,117	1.0%
City Pension Fund	801	264,480	-	264,480	833	263,647	0.3%
PARS Investment Trust	804	50,000	-	50,000	20,531	29,469	41.1%
		<b>\$145,201,709</b>	<b>\$1,200,000</b>	<b>\$146,401,709</b>	<b>\$41,830,277</b>	<b>\$104,571,432</b>	<b>28.6%</b>



City of Manhattan Beach  
 Fiscal Year 2022-2023 Citywide Expenditures  
 As of November 30, 2022

**% of Year  
41.7%**

Current Year Activity

	Fund No.	Original Budget	Budget Adjustments*	Adjusted Budget	Year-to-Date		Available Budget	% Utilized
					Actuals	Encumbrances		
General Fund	100	\$85,275,151	\$754,507	\$86,029,658	\$30,510,364	\$1,078,647	\$54,440,648	36.7%
Street Lighting & Landscaping Fund	201	612,022	53,774	665,796	193,107	5,322	467,367	29.8%
Gas Tax Fund	205	1,575,138	500,119	2,075,257	189,603	1,106,479	779,175	62.5%
Asset Forfeiture	210	107,750	27,747	135,497	9,783	27,747	97,967	27.7%
Police Safety Grants	211	155,000	54,693	209,693	24,500	30,193	155,000	26.1%
Prop A Fund	230	780,646	7,717	788,363	278,599	6,560	503,204	36.2%
Prop C Fund	231	1,260,138	2,251,455	3,511,593	453,735	1,522,432	1,535,426	56.3%
AB 2766 Fund	232	673	-	673	280	-	393	41.6%
Measure R	233	760,138	415,539	1,175,677	42,348	883,198	250,130	78.7%
Measure M	234	5,870,138	1,591,106	7,461,244	66,439	548,515	6,846,290	8.2%
Measure W	240	1,200,000	1,149,197	2,349,197	47,738	1,101,650	1,199,808	48.9%
Capital Improvements Fund	401	6,442,589	2,351,887	8,794,476	1,178,556	3,022,727	4,593,193	47.8%
Bond Construction Fund	402	-	5,405,236	5,405,236	1,683,307	3,721,929	-	100.0%
Underground Assessment District Construction	403	1,285,750	266,456	1,552,206	59,586	244,019	1,248,601	19.6%
Water Fund	501	13,304,706	15,214,618	28,519,324	11,399,476	10,612,188	6,507,660	77.2%
Stormwater Fund	502	1,836,564	303,309	2,139,873	494,981	164,360	1,480,532	30.8%
Wastewater Fund	503	4,710,392	701,466	5,411,858	889,170	1,145,960	3,376,729	37.6%
Parking Fund	520	2,698,608	163,079	2,861,687	870,346	22,831	1,968,511	31.2%
County Parking Lots Fund	521	953,214	-	953,214	79,712	-	873,502	8.4%
State Pier & Parking Lot Fund	522	737,458	58,452	795,910	164,096	49,595	582,219	26.8%
Insurance Reserve Fund	601	8,243,352	35,601	8,278,953	5,832,736	191,516	2,254,701	72.8%
Information Systems Reserve Fund	605	4,276,387	462,177	4,738,564	1,266,359	605,617	2,866,588	39.5%
Fleet Management Fund	610	2,490,440	2,103,508	4,593,948	1,162,420	1,734,406	1,697,123	63.1%
Building Maintenance & Operation Fund	615	2,195,831	400,413	2,596,244	721,547	377,588	1,497,108	42.3%
Special Assessment Debt Service	710	700,450	-	700,450	663,875	-	36,575	94.8%
Special Assessment UAD 19-12 19-14 Fund	711	609,007	-	609,007	499,453	-	109,554	82.0%
Special Assessment UAD 19-4 Fund	712	341,813	-	341,813	278,506	-	63,307	81.5%
City Pension Fund	801	196,680	-	196,680	79,088	-	117,592	40.2%
PARS Investment Trust	804	-	-	-	-	-	-	-
		<b>\$148,620,035</b>	<b>\$34,272,056</b>	<b>\$182,892,091</b>	<b>\$59,139,709</b>	<b>\$28,203,478</b>	<b>\$95,548,904</b>	<b>47.8%</b>

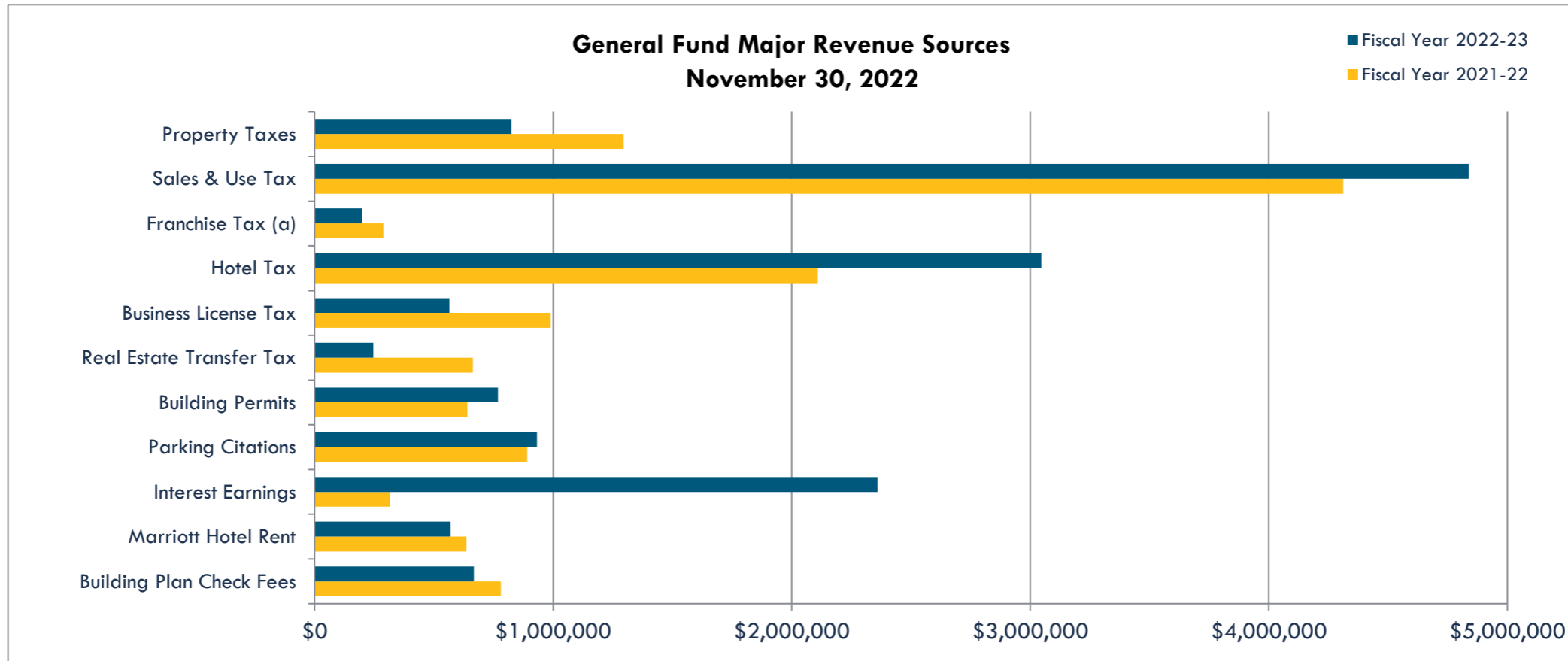
\*Budget Adjustments include City Council-approved adjustments during the current year and encumbrances carried forward from the prior year.



City of Manhattan Beach  
Fiscal Year 2022-2023 General Fund Major Revenue Trends  
November 30, 2022

Percent of Year  
41.7%

Major Revenue Accounts	Fund No.	Year-To-Date Actuals						FY 2023	
		2018	2019	2020	2021	2022	2023	Adj Budget	Realized
Property Taxes	100	1,108,623	1,180,089	1,293,478	1,369,646	1,295,740	824,597	38,049,313	2.2%
Sales & Use Tax	100	3,778,091	3,801,368	4,041,448	3,294,389	4,311,560	4,838,676	9,260,000	52.3%
Franchise Tax (a)	100	324,281	326,909	316,483	299,254	289,135	198,376	1,135,000	17.5%
Hotel Tax	100	1,750,697	1,906,547	2,192,832	915,719	2,109,006	3,045,913	4,025,000	75.7%
Business License Tax	100	253,432	377,112	436,630	691,497	989,699	565,514	3,600,000	15.7%
Real Estate Transfer Tax	100	374,591	415,056	466,293	339,188	663,510	246,602	810,000	30.4%
Building Permits	100	794,408	722,003	702,786	621,607	639,924	768,695	1,532,712	50.2%
Parking Citations	100	1,052,148	934,035	863,258	701,140	891,113	932,091	1,875,000	49.7%
Interest Earnings	100	344,380	440,580	555,322	470,235	315,894	2,360,592	637,522	370.3%
Marriott Hotel Rent	100	698,053	806,420	987,326	443,005	636,865	569,188	1,350,000	42.2%
Vehicle in Lieu	100	-	-	-	-	-	-	17,000	0.0%
Building Plan Check Fees	100	858,867	827,131	732,195	840,706	781,471	668,285	1,755,000	38.1%
<b>Total Major Revenue Accounts</b>		<b>11,337,572</b>	<b>11,737,250</b>	<b>12,588,051</b>	<b>9,986,387</b>	<b>12,923,917</b>	<b>15,018,530</b>	<b>64,046,547</b>	<b>23.4%</b>
Over/(Under) Prior Year			399,678	850,802	(2,601,664)	2,937,530	2,094,613		
Percent Change From Prior Year			3.5%	7.2%	(20.7%)	29.4%	16.2%		
Other Revenues		6,557,028	8,229,100	6,627,225	5,840,017	6,299,404	8,352,204	22,622,680	36.9%
<b>Total General Fund Revenues</b>		<b>17,894,599</b>	<b>19,966,350</b>	<b>19,215,276</b>	<b>15,826,404</b>	<b>19,223,320</b>	<b>23,370,734</b>	<b>86,669,227</b>	<b>27.0%</b>

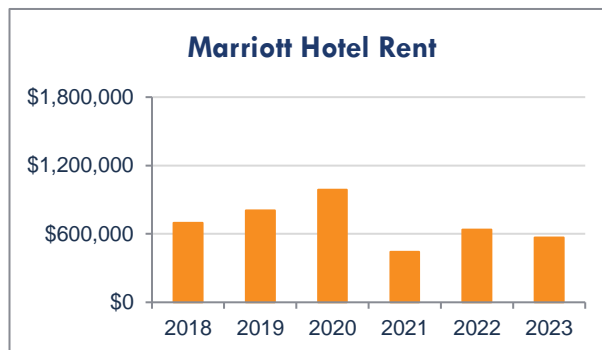
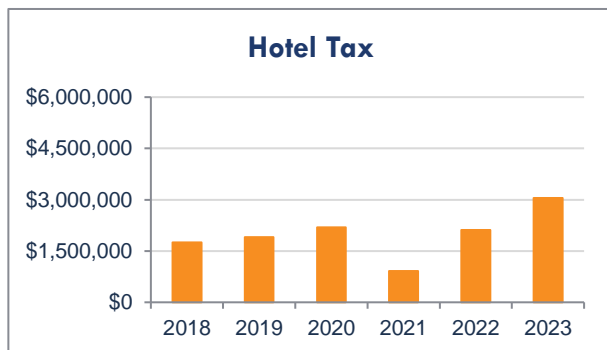
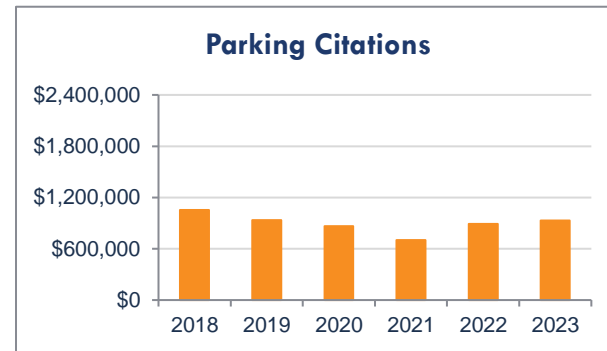
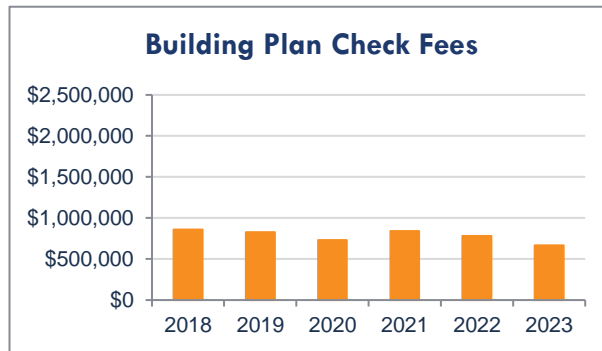
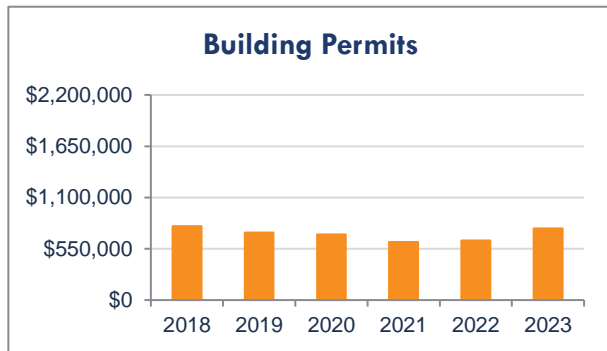
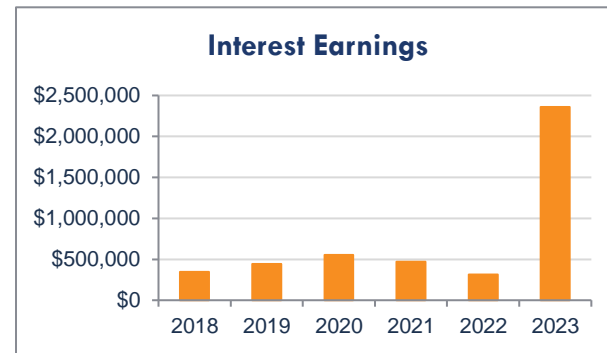
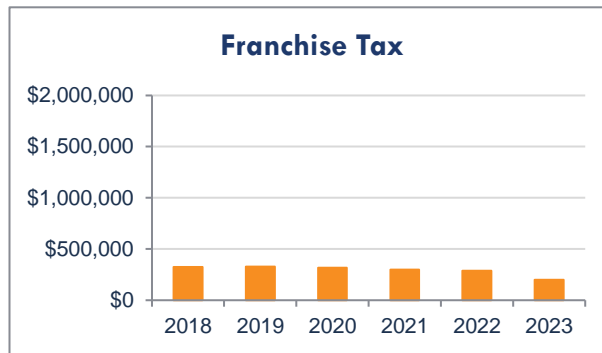
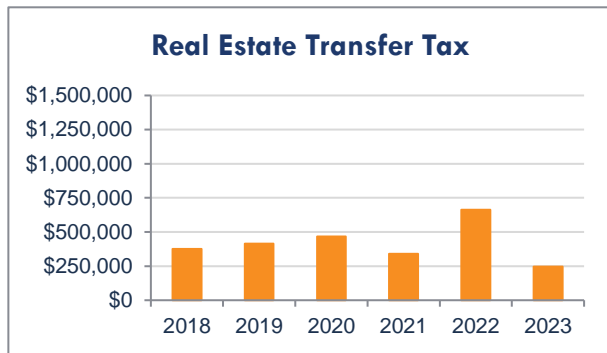
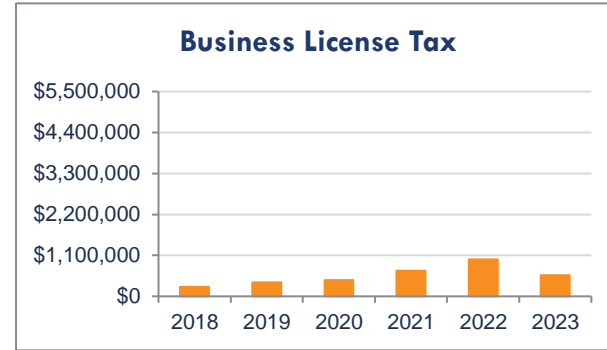
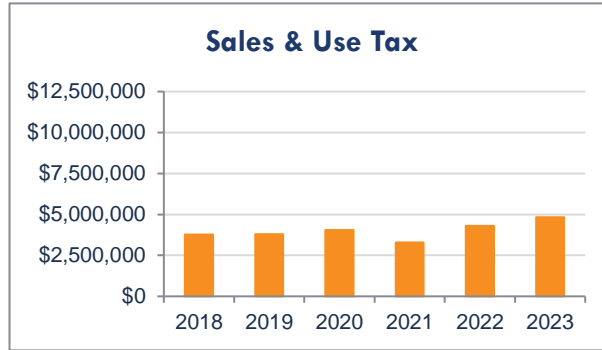
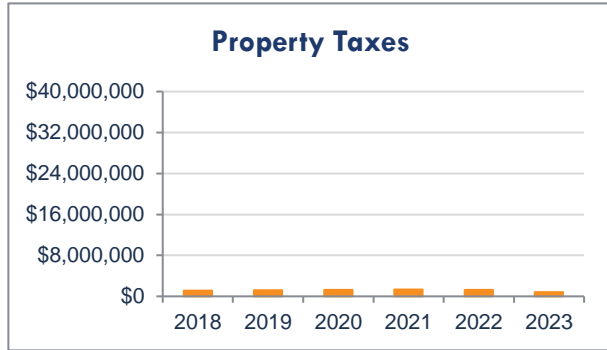


(a) The structure of payments for the some of the franchise fees has changed resulting in lower initial revenues at the beginning of the fiscal year as compared to prior years. This revenue will self adjust throughout the year to better align with prior full-year numbers.



# City of Manhattan Beach Fiscal Year-To-Date General Fund Trends Through November Year-Over-Year

Percent of Year  
41.7%





City of Manhattan Beach  
 Fiscal Year 2022-2023 General Fund Expenditures by Department  
 As of November 30, 2022

**% of Year  
41.7%**

Current Year Activity

	Dept No.	Original Budget	Budget Adjustments <sup>1</sup>	Adjusted Budget	YTD Expenditures	YTD Encumbrances	Available Budget	% Used
Management Services	11	\$4,359,023	\$154,258	\$4,513,281	\$1,774,800	\$424,762	\$2,313,720	48.7%
Finance	12	3,819,223	23,665	3,842,888	1,371,838	201,420	2,269,631	40.9%
Human Resources	13	1,622,969	92,701	1,715,670	653,597	72,755	989,318	42.3%
Parks and Recreation	14	9,131,405	83,084	9,214,489	3,510,383	131,578	5,572,529	39.5%
Police	15	33,631,799	4,509	33,636,308	12,067,519	15,839	21,552,950	35.9%
Fire	16	15,286,191	14,395	15,300,586	5,358,056	14,395	9,928,135	35.1%
Community Development	17	6,782,954	83,329	6,866,283	2,336,186	75,242	4,454,855	35.1%
Public Works	18	10,641,587	298,566	10,940,153	3,437,986	142,656	7,359,511	32.7%
Information Technology	19	-	-	-	-	-	-	-
		<b>\$85,275,151</b>	<b>\$754,507</b>	<b>\$86,029,658</b>	<b>\$30,510,364</b>	<b>\$1,078,647</b>	<b>\$54,440,648</b>	<b>36.7%</b>

<sup>1</sup>Budget Adjustments include City Council-approved adjustments during the current year and encumbrances carried forward from the prior year.

**Balance Sheet Accounts  
As of November 30, 2022**

Account	Description	Established	Purpose	Amount
<b>Parks &amp; Recreation</b>				
100-21501	Tree and Bench Donations	2003	Donations for trees & benches.	\$ 6,797
100-21702	Joslyn Foundation Deposits	1997	Joslyn Center Donations.	6,558
100-21705	Pumpkin Race	2013	Sponsorship revenue/expenses for Pumpkin Race.	18,540
100-21706	Recreation Sponsorships	2017	Sponsorship revenue/expenses for other programs.	15,000
802-21708	Public Art Development Fees	2003	Funded through a portion of development fees. Used to fund Public Art.	2,214,279
<b>Police</b>				
100-21410	Reserve Force Deposits	1997	Funded through donations. Reserve Officer equipment, training, etc.	\$ 1,945
100-21405	K9 Deposits	1997	Funded through donations. Used for K9 Equipment.	530
100-21408	Victims Assistance Deposits	1997	Property that is forfeited permanently and goes to auction. The funds are deposited for Victims Assistance programs.	3,423
100-21411	Every 15 Minutes Deposits	1998	Funded through donations. Every 15 Minutes Program. In conjunction with Mira Costa (MBUSD).	4,356
100-21409	Explorer Scout Deposits	1997	Funded through donations. Explorer events, special equipment, etc.	10,915
100-21404	Neighborhood Watch Deposits	1997	Property that is forfeited permanently and goes to auction. The funds are deposited for various Neighborhood Watch uses.	9,371
100-21407	Equipment Deposits	1997	Funded through donations. Used for Various Special Equipment.	23,128
100-21412	Graux Trust (Police)	2014	Donation gift from the Graux Trust.	8,893
100-21402	Inmate Welfare Deposits	1997	Funds generated through inmate telephone in the jail. Use for Inmate welfare, i.e. new mattresses, periodicals, newspapers, books, etc.	45,891
<b>Fire</b>				
100-21453	Paramedic Trust Deposits	1997	Donations to Fire operations.	\$ 7,295
100-21451	Graux/Rotary Trust (Fire)	2014	Donation gift from the Graux Trust.	1,756
100-21452	Customer Deposits	2012	Donations from public to fire services.	653
100-21913	Fire Technology Replacement	2020	Funded through a fee of 5% of annual Fire Inspection Permits. The purpose of this technology fee is to recover the cost associated with replacement of existing system, upgrades to the existing and new system, and maintenance costs associated with the system.	16,744
<b>Community Development</b>				
100-21602	Tree Penalties for Illegal Removal	2018	Fines for illegally removed trees for the planting of new trees.	\$ 77,255
100-21601	General Plan Maintenance	2010	Surcharge taken from permits to fund updates for General Plan (i.e., Mobility Plan, Housing Element, Land Use, etc.).	484,622
100-21608	Seismic Fees	1998	A portion of this fee is paid quarterly by the City to the Department of Conservation (DoC) along with a quarterly report. Balance of fee is used for data utilization, and seismic education incorporating data interpretations from data of the strong-motion instrumentation program.	61,459
100-21609	Congestion Management Plan	2002	Fees that are charged for projects that increase traffic; Planning correction checklist has section for CMP, where a spreadsheet calculates trips/cost; county program on hold for number of years. Funds are to be used for transportation improvements.	68,440
100-21610	BSA Revolving Fund Fee	2009	Fee identified during Building permit application. A portion of this fee is paid quarterly by the City to the CA Building Standards Commission (BSC) along with a quarterly report. Fee paid to BSC based on calculations in the report.	16,136
100-21616	SB 1186 Disability Access & Education	2014	Fee charged on permits, a portion of which is available yearly for Building Inspector training on Title 24, CASp (Certified Access Specialist Program), and SB 1186.	90,711
100-21914	Energov Technology Replacement	2020	Funded through a fee of 3% of Building Permits. The purpose of this technology fee is to recover the cost associated with replacement of existing system, upgrades to the existing and new system, and maintenance costs associated with the system.	119,449
<b>Information Technology</b>				
100-21311	Time Warner PEG Deposit	1997	Public, Education, and Governmental Access. MBtv (city government cablecast and webcast) capital expenditures, repairs and upgrades.	\$ 560,176
100-21312	Verizon PEG Deposit	2007	Public, Education, and Governmental Access. MBtv (city government cablecast and webcast) capital expenditures, repairs and upgrades.	322,758

**Total \$ 4,197,082**



**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

George Gabriel, Assistant to the City Manager

**SUBJECT:**

Status Update on Fiscal Year 2022 - 2023 Chamber of Commerce Work Plan Contract (City Manager Moe).

**RECEIVE REPORT**

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**RECOMMENDATION:**

Staff recommends that the City Council receive and file the update on the fiscal year 2022-2023 Chamber of Commerce Work Plan agreement.

**FISCAL IMPLICATIONS:**

There are no fiscal implications associated with the recommended action. However, it should be noted that the value of the contract for this fiscal year amounts to \$47,585.

**BACKGROUND:**

At the July 19, 2022, meeting, City Council adopted Resolution No. 22-0108 approving the fiscal year 2022-2023 Manhattan Beach Chamber of Commerce Work Plan agreement in the amount of \$47,585. The agreement requires the Chamber to provide a status report on tasks completed thus far in January 2023. Additionally, once the agreement also requires that on or before June 30, 2023, the Chamber shall submit a report to City detailed information on overall project management and achievement of goals as compared to the work plan and budget set forth in the agreement.

**DISCUSSION:**

Consistent with prior agreements, the Chamber of Commerce Work Plan agreement (Attachment) lists several programs and services proposed by the Chamber that are intended to improve the local economy. These can be broadly divided into services that: 1) improve the hospitality climate in Manhattan Beach through production of better marketing materials and

more strategic outreach; 2) provide programs to improve local business engagement and education; and 3) continue sponsorship of events hosted by the Chamber.

As required by the agreement with the City, the Chamber has provided a document titled, "Semi Annual Work Plan Progress/Update" (Attachment) to the City. The Chamber reported that work has commenced work upon all 9 tasks identified in the agreement. As of January 10, 2023, one task has been completed but expects to complete the remaining eight items prior to contract expiration (June 30, 2023). Most notably, an excerpt from the updated by the Chamber states:

"Thus far in Fiscal Year (FY) 2022-2023 the MBCC has had a busy and productive year. Some key accomplishments include: 1) hiring a new Chamber team member, 2) Implementation of the *MB Pier Review*, a bi-monthly newspaper sent directly to all Manhattan Beach residents, businesses, and chamber members, 3) Printed and distributed the annual Community & Destination Guide, 4) Producing two Candidates Forums, and 5) Ended the calendar year with two successful events in the Best of Manhattan and the Holiday Mixer Extravaganza."

**CONCLUSION:**

Staff recommends that the City Council receive and file the update on the fiscal year 2022-2023 Chamber of Commerce Work Plan agreement.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Semi Annual Work Plan Progress/Update (Provided by Chamber of Commerce)
2. Agreement - Chamber of Commerce (2022)



**Manhattan Beach Chamber of Commerce/City of Manhattan Beach  
Semi Annual Work Plan Progress/Update  
January 17, 2023**

**Introduction/Opening Remarks**

The Manhattan Beach Chamber of Commerce (MBCC) values its relationship with the City of Manhattan Beach and has the responsibility of the economic well-being of our community by advocating for businesses, promoting business growth and development, and improving the quality of life for all citizens. Thus far in Fiscal Year (FY) 2022-2023 the MBCC has had a busy and productive year. Some key accomplishments include: 1) hiring a new Chamber team member, 2) Implementation of the MB Pier Review, a bi-monthly newspaper sent directly to all Manhattan Beach residents, businesses, and chamber members 3) Printed and distributed the annual Community & Destination Guide, 4) Producing two Candidates Forums, and 5) Ended the calendar year with two successful events in the Best of Manhattan and the Holiday Mixer Extravaganza.

Membership in all areas continues to grow with numerous Ribbon Cuttings taking place and the creation of a New Member Orientation meeting. An annual Calendar of Events has been published that includes Monthly Networking Mixers as well as Signature Event Dates, Bi-Monthly Educational Seminars, and New Member Orientations. The Chamber continues to work closely with the City Staff on important issues, events, and ongoing activities throughout the Community. Below are summaries of each Work Plan item the Chamber is progressing on or has completed as reflected in the approved agreement with the City and Chamber.

**I. Local Marketing Programs:**

**Manhattan Beach Map Seminars (Task Status – IN PROGRESS)**

The Chamber is in the process of contracting with a Map Production Company and anticipates beginning production of the Map in February 2023 with completion by May 1, 2023, for distribution in time for the Summer Season. Specific plans on distribution are being finalized. Due to competing priorities the initial timing has shifted slightly.

**Online Visitor Resource Center Search Engine Optimization (SEO) (Task Status – IN PROGRESS)**

With the creation and roll out of the Chamber’s Visitor Website [www.manhattanbeachexperience.com](http://www.manhattanbeachexperience.com), the Chamber is finalizing a contract with an SEO provider, and it is anticipated to be operational by February 1, 2023. Originally, the plan was to have SEO in place from the beginning and due to staff shortages much of the Visitor Website work has centered around the underlying database, working with City Staff on ensuring that hospitality related businesses are included, as well as adding content to the Site. The Chamber will capitalize on its Community and Destination Guide for additional content. Once the SEO contract is in place, metrics will be developed to track relevant items such as website traffic, engagement, and “Popular Pages,” to name a few.

**On-line Ad and Pay Search - Geo Fencing (Task Status – IN PROGRESS)**

In conjunction with and like SEO above, the Chamber is finalizing a contract with a Marketing partner, and it is anticipated to be operational by February 1, 2023. The goal

is to create a virtual geographic boundary around Manhattan Beach by means of GPS to trigger an action such as a coupon, or notification. Hospitality Businesses can utilize this to drive business into Manhattan Beach establishments. Key metrics will be developed and tracked to maximize effectiveness on a go forward basis.

## **II. Business Education and Engagement**

### **Sepulveda/Rosecrans/Artesia Corridor – Business Organization Committee (Task Status – IN PROGRESS)**

In accordance with the Work Plan, the Chamber has created a Corridor Committee within the Chamber and has reached out to all the businesses on the “Corridor” on three separate occasions to promote a meeting. Additional work is being done on reaching the appropriate constituents for the Committee and a direct mailer is being developed targeting ownership of the Buildings and the Businesses. The estimated expense for the mailer is approximately \$6,000. An initial Corridor Committee Meeting was held on November 17, 2022, at the Residence Inn on Sepulveda Blvd. While the initial turnout was low, a vital step in creating the Committee was accomplished with several key items being discussed such as, expanded participation, Beautification of the Corridor, and City involvement in future meetings. The next Corridor Committee meeting is scheduled for January 19, 2023.

### **Business Safety/Education/Homelessness Seminars (Task Status – IN PROGRESS)**

In the original plan the Chamber anticipated quarterly Education Seminars and with the lack of staff the initial Seminars were adjusted and the Chamber has scheduled the first Educational Seminar on “Homelessness and Your Business” for January 11, 2023, 9:00am at the Joslyn Center. Additional Educational Seminars are scheduled on a bi-monthly basis on a reoccurring basis following January 2023. Topics include and are not limited to, Employee/Labor Law updates, Sexual Harassment Prevention, Fire Safety, ADA Compliance, Cyber Security laws, emerging legislation, New Marketing Trends, and Workplace Safety.

### **Young Entrepreneurs Academy (YEA) Investor Panel (Task Status – IN PROGRESS)**

This Year’s class of Young Entrepreneurs is the largest Class for Manhattan beach at 21 participants. The Highlight of the Year is the Investor Panel in the Spring where the students present their Business Plan to the “Investor Panel,” like the “Shark Tank.” After all the presentations are complete, the Panel awards money to each Student Presenter and selects one Student to represent Manhattan Beach on a National Level at the Saunders Scholarship Competition with over 1,000 other Young Entrepreneurs. Last year the Manhattan Beach Student, Dallas Nurre, place third in the Nation and received \$20,000 in College Scholarships and \$1,000 Cash prize. This year the Investor Panel is scheduled for Wednesday April 12, 2023, from 4:30pm to 7:30pm

### **Meet the Neighbors (Task Status – IN PROGRESS)**

The Chamber is planning the three “Meet the Neighbors” events for Spring 2023 in the respective areas, Downtown, North Manhattan Beach, and the Corridor and will collaborate with other entities such as the Downtown Business and Professional

Association (DBPA), the North Manhattan Beach Business Improvement District, and the Corridor Committee in curating these events

### **III. City Sponsored Events**

#### **Best of Manhattan Awards (Task Status – COMPLETE)**

The 10<sup>th</sup> Annual Best of Manhattan at the Westdrift Hotel was a huge success with close to 300 attendees enjoying the festivities that included a Champagne Reception with passed Hors d'oeuvres, live DJ & Emcee, and for the first time, dancing. Additionally, the Award Categories were streamlined and culminated with the First Responder Award going to Retired MBPD Police Chief Derrick Abell, Hall of Fame Award to Chevron, and the coveted “Best of Manhattan” to The Simms Group. Pulling this event off was a big undertaking with a committee of eight Chamber Members, over ten volunteers, and the Chamber Team. It was a fantastic night for all! In attendance from the City were Mayor Napolitano, Mayor Pro Tem Montgomery, Council Member Franklin, MBPD Police Chief Johnson, and City Staff. In accordance with the Contract and “Sponsor” Level \$5,000 Benefits, the City of Manhattan Beach received a reserved Table of Ten, ½ Page Ad in the Event Program, Logo on all printed and digital media, and an acknowledgement and “Thank You!” in the MB Pier Review.

#### **State of the City (Task Status – IN PROGRESS)**

Working with City Staff, the Chamber is in the process of producing the State of the City Event in March 2023. The tentative location is the Westdrift Hotel and dates are being finalized. In accordance with the Contract and “Sponsor” Level \$7,500 Benefits, the City of Manhattan Beach will receive Two Tables of Ten, Full Page Ad in the Event Program, Logo on all printed and digital media, Dedicated and Branded Email Blast, and an acknowledgement and “Thank You!” in the MB Pier Review.

#### **Annual Dues**

The Manhattan Beach Chamber of Commerce is an association of businesses, entities, and individuals organized to encourage a strong local economy by promoting commerce, sound government, and an informed membership community. Partnering with us offers your business valuable exposure, branding, and benefits, such as:

- Complimentary listing in the Annual Destination Guide (print ads extra)
- Complimentary business consulting & best practice information
- Business to business referrals
- Access to business development & networking events
- Access to data, reports, statistics, and analytics
- Access to exclusive discounts & programs, as offered
- Access to current technology - social media platforms, marketing channels & enhanced Member Portal on Chamber's website
- Advocate for all business-related issues (Chamber representation at government meetings on all local, state, and federal levels)
- Ribbon cutting ceremony/grand opening
- Member mailing list
- Dedicated E-blasts

Report Provided by David Archer, President/CEO

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated July 19, 2022, (“Effective Date”) and is between the City of Manhattan Beach, a California municipal corporation (“City”) and Manhattan Beach Chamber of Commerce, a non-profit corporation (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

### RECITALS

A. Consultant is organized to encourage a strong local economy and quality of life by promoting commerce, sound government, and an informed membership and community.

B. Comprised of business leaders throughout the South Bay, Consultant has special knowledge and experience to promote economic and business development, including business attraction and retention programs, for the benefit of City.

C. City and Consultant have mutual interests in enhancing the economic growth and vitality of the community in pursuit of the following goals:

- a. To cultivate community involvement,
- b. To encourage business alliances,
- c. To nurture the growth and development of new and existing businesses,
- d. To create educational opportunities for community youth, and
- e. To ensure that operation of the Chamber of Commerce is performed in the most responsible, cost-effective, and efficient manner possible.

D. City has previously contracted for economic and business development services with the Consultant.

E. City desires to utilize the services of Consultant as an independent contractor to provide business attraction and retention services.

F. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

G. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

Approved for Use 3/1/2021

The Parties therefore agree as follows:

**1. Consultant's Services.**

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the "Services") for economic and business development programs, attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be David Archer, President/CEO (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's Services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

**2. Term of Agreement.** The term of this Agreement shall be from the Effective Date through June 30, 2023, unless sooner terminated as provided in Section 12 of this Agreement or extended.

**3. Compensation.**

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the hourly rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Consultant be paid more than \$47,585 (the “Maximum Compensation”) for such Services.

B. Expenses. City shall only reimburse Consultant for those actual and necessary expenses expressly set forth in **Exhibit B**. In no event shall reimbursable expenses collectively exceed the total sum of \$0.00.

C. Unauthorized Services and Expenses. City will not pay for any services not specified in the Scope of Services, or reimburse for any expenses not set forth in **Exhibit B**, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services or expenses in writing prior to Consultant’s performance of those services or incurrence of additional expenses. Any additional services authorized by the City Council, or (where authorized) the City Manager shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. Any additional expense authorized by the City Council or (where authorized) the City Manager shall be reimbursed in the amounts authorized by the City Council or City Manager. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

#### **4. Method of Payment.**

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Invoices must be submitted to George Gabriel, Assistant to the City Manager to [ggabriel@manhattanbeach.gov](mailto:ggabriel@manhattanbeach.gov). Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant’s regular working hours to City for review and audit by City.

**5. Independent contractor.** Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

**6. Information and Documents.**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the Services, surveys, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

**7. Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

**8. Indemnification, Hold Harmless, and Duty to Defend.**

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of



Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 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. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall 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, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. 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. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

## 9. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so

that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$1,000,000.00 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Broader Coverage/Higher Limits. If Consultant maintains broader coverage and/or higher limits than the minimums required above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

L. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

**10. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**11. Records and Inspections.** Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

**12. Termination of Agreement.**

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

**13. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

**14. Default.**

A. Consultant’s failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

**15. Notices.** Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant’s and City’s regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO CITY:

City of Manhattan Beach  
Attn: George Gabriel  
1400 Highland Avenue  
Manhattan Beach, California 90266

TO CONSULTANT:

Manhattan Beach Chamber of Commerce  
Attn: David Archer  
425 15<sup>th</sup> Street  
Manhattan Beach, California 90266

COPY TO CITY ATTORNEY:

City of Manhattan Beach  
Attn: City Attorney  
1400 Highland Avenue  
Manhattan Beach, CA 90266

**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender

identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

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

**21. Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold

payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

**22. Non-Appropriation of Funds.** Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant’s services beyond the current fiscal year, this Agreement shall cover payment for Consultant’s services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**23. Exhibits.** Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant’s proposal, the provisions of this Agreement shall control.

**24. Entire Agreement and Modification of Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

**25. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

**26. Word Usage.** Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

**27. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

**28. Business Days.** “Business days” means days Manhattan Beach City Hall is open for business.

**29. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party

shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

**30. Attorneys' Fees.** In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

**31. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**32. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

**33. Corporate Authority.** Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]



The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Manhattan Beach,  
a California municipal corporation

Consultant:

Manhattan Beach Chamber of Commerce  
and Civic Association, a non-profit  
corporation

DocuSigned by:  
By: Bruce Moe 8/22/2022  
D1A13C56864A441...  
Name: Bruce Moe  
Title: City Manager

DocuSigned by:  
By: David Archer 8/5/2022  
DA8515ED1DA24D4...  
Name: David Archer  
Title: President/CEO

ATTEST:

DocuSigned by:  
By: Jill Dunn 8/5/2022  
A16F875708CF47A...  
Name: Jill Dunn  
Title: Board Chairman

DocuSigned by:  
By: Liza Tamura 8/22/2022  
975D2FFB9D8448B...  
Name: Liza Tamura  
Title: City Clerk

APPROVED AS TO FORM:

DocuSigned by:  
By: Brendan Kearns, Acting City Attorney 8/22/2022  
161EC544119B45B...  
Name: ~~Quinn M. Barrow~~ Brendan Kearns  
Title: ~~City Attorney~~ - Acting City Attorney

APPROVED AS TO FISCAL IMPACT:

DocuSigned by:  
By: Steve S. Charelian 8/9/2022  
3801E6D7B4124E9...  
Name: Steve S. Charelian  
Title: Finance Director

**EXHIBIT A  
SCOPE OF SERVICES**

City shall provide funding to the Manhattan Beach Chamber of Commerce for the period of July 1, 2022, through June 30, 2023, for business attraction and retention services. The portfolio of services to be provided by the Chamber to the City is set forth below.

**Budget**

Work Plan Item	Cost
<b>I. Local Marketing</b>	
Manhattan Beach Map	5,000
Online Visitor Resource Center - Search Engine Optimization (SEO)	6,000
On-line Ad and Pay Search (Geo Fencing)	3,000
Sepulveda/Rosecrans/Artesia Corridor – Business Organization Committee - \$2,500 Quarterly	10,000
<i>Local Marketing Subtotal</i>	24,000
<b>II. Business Education and Engagement</b>	
Business Safety/Education/Homelessness Seminars - \$750 Quarterly	3,000
Young Entrepreneurs Academy (YEA!) - Investor Panel	2,500
Meet the Neighbors, Business Information Exchange - \$1,000 per meeting	3,000
<i>Business Education and Engagement Subtotal</i>	8,500
<b>III. City Sponsored Legacy Events</b>	
Best of Manhattan	5,000
State of the City	7,500
<i>City Sponsored Legacy Events Subtotal</i>	12,500
<b>IV. Annual Membership Fee</b>	2,585
<b>TOTAL</b>	47,585

**I. Local Marketing Programs:**

Description	<p><b>Manhattan Beach Map</b></p> <p>History: Historically Maps are one of the most requested items from the Chamber by Residents and Visitors, and last Manhattan Beach Chamber Map produced was in 2018 – 2019.</p> <p>Strategy: After curating a map, the MBCC will integrate it with the “New” Visitor Website as well as strategically distribute throughout the local Business Community, LAX Hotels, Residents, and electronically.</p> <p>Additionally, the Map is a key component in guiding our residents and visitors alike and the Chamber will partner with Planning entities for the annual events like the MB Open, International Surf Festival, etc., to further distribute a Manhattan Beach Map.</p>
Circulation	25,000+ to Businesses, Hotels & Hospitality Groups, City & Recreation Facilities, Special Events, Group Functions, and Major Events
Timeline	Commence work by October 2022 and complete by April of 2023
Allocation	\$5,000

Description	<p><b>Online Visitor Resource Center SEO</b></p> <p>The New Visitor Website will be branded separately from the Chamber and will highlight everything Hospitality Related for All associated businesses in Manhattan Beach. Search Engine Optimization is critical to the success in establishing the Visitor Website position near the top of results for visitors to the South Bay/LA Area.</p> <ul style="list-style-type: none"> <li>• Welcome to Manhattan Beach</li> <li>• Manhattan Beach History</li> <li>• Eat – Stay – Play - Shop Manhattan Beach</li> <li>• All Events in Manhattan Beach</li> <li>• Event/Wedding Resources</li> </ul>
Deliverables	Go live with SEO in July 2022 with ongoing refinements as appropriate. Develop analytics and adjust content based on digital intelligence, as well as updates to City Council on a periodic basis.
Timeline	Commence SEO in July 2022 - Ongoing
Allocation	\$500 per month for a total of \$6,000

Description	<p><b>On-line Ad and Pay Search - Geo Fencing</b></p> <p>A method of strategically assessing, targeting, and marketing to increase awareness of visitor information for Manhattan Beach</p> <ul style="list-style-type: none"> <li>• Strategic use of Google Analytics to retarget</li> <li>• Social media and website digital intelligence</li> <li>• Strategic hospitality focused digital marketing</li> <li>• Re-targeting strategy for website view optimization</li> </ul>
Deliverables	Digital reports analyzed for effectiveness and optimized to best serve the target audience via digital communications, as well as updates to City Council on a periodic basis.
Timeline	Commence Geo Fencing in July 2022 - Ongoing
Allocation	\$250 per month for a total of \$3,000

Description	<p><b>Sepulveda/Rosecrans/Artesia Corridor – Business Organization Committee</b></p> <p>Create a Business Organization Committee within the Chamber of Commerce to coordinate and communicate with the Businesses along the Sepulveda/Rosecrans/Artesia (Corridor). Committee Mission Statement - As the leading advocate for Corridor, we work in partnership with business and government to identify needs, develop strategies, shape public policy, and implement programs that strengthen the economic vitality of the Corridor. The Committee will mail all Businesses, including representative(s) from the City, MBPD/MBFD, an invitation to an initial Corridor meeting to establish the roles and responsibilities, as well as, to hear the Businesses concerns and challenges. The end goal is to facilitate regular meetings to discuss opportunities and challenges with the Businesses, develop Marketing Strategies for the Corridor that include events, themes, cooperation, and attracting additional patrons and businesses. Estimated annual time would be approximately 200 hours.</p>
Deliverables	Initiate the Committee at the June 2022 Board Meeting. Adopt the Mission Statement, Format, Benefits and Timing. Once established, provide updates to City Council on a periodic basis that includes meeting attendees, meeting notes, Committee action items, Marketing updates, and Business feedback.
Timeline	<p>July 2022 - Send out an initial communication inviting all Businesses to participate, and includes the Mission Statement, Benefits, and Next Steps.</p> <p>August – 2022 Hold initial meeting and every month following.</p>
Allocation	\$10,000

## II. Business Education and Engagement

Description	<p><b>Business Safety/Education/Homelessness Seminars</b></p> <p>Provide ongoing support and education regarding safety and compliance matters in the workplace. Examples include but are not limited to Homelessness, Sexual Harassment, Fire Safety, ADA Compliance, Cyber Security laws, emerging legislation, etc.</p>
Deliverables	Commence the Quarterly Seminars in August 2022
Timeline	Quarterly 4 seminars
Allocation	\$750 Quarterly for a total of \$3,000

Description	<p><b>Young Entrepreneurs Academy (YEA) Investor Panel</b></p> <p>The YEA program provides an 8-month curriculum that teaches students, grades 6-12, how to conceptualize, research, brand, and market a new business idea. Business plan writing, investor pitches and mentorship from business leaders in the Manhattan Beach community provide a circular business environment for young entrepreneurs to strive and thrive.</p> <p>The 2021-2022 class is comprised of 17 students.</p> <ul style="list-style-type: none"> <li>• 16 Manhattan Beach residents</li> <li>• 14 attend MBUSD schools</li> <li>• Grades 6-12</li> </ul> <p>Previous graduates are now successfully selling their products in local businesses, thus supporting the local economy, and the made locally and sold locally movement.</p> <p>At the end of the program the students participate in an “Shark Tank” like Investor Panel and following all presentations the Panel awards monetary resources to the Young Entrepreneurs.</p>
Instruction	Facilitator - Nellie Ambrose MBUSD Instructor - Rachel Thomas
Timeline	School year 2022-2023
Allocation	\$2,500

## II. Business Education and Engagement cont'd

Description	<p><b>Meet the Neighbors</b></p> <p>In an effort to link the Business Community to the Residents we will hold neighborhood Business Information Exchange (BizEx) meetings at local businesses whereby Residents can network with the Businesses and have a facilitated conversation to discuss any areas of concern or needs that affect both entities.</p>
Deliverables	Provide 3 Opportunities for Businesses and Residents to meet and converse in each designated area of Manhattan Beach, Downtown, North, and the Sepulveda Corridor.
Timeline	On-going
Allocation	\$1,000 Per Meeting for a total of \$3,000

## III. City Sponsored Events

Description	<p><b>Best of Manhattan Awards</b></p> <p>Recognize the Key Leaders in the Business Community and present awards to outstanding Businesses and Individuals in numerous categories.</p>
Attendance	Approximately 300 attendees
Timeline	Annual, In October
Allocation	\$5,000

Description	<p><b>State of the City</b></p> <p>A preeminent Annual Event that provides a forum for the Mayor, Chamber President/CEO, City Officials, and Department Directors to recap highlights of the previous year and to outline significant goals, projects and plans for the coming year. A Community favorite!</p>
Attendance	Estimated attendance is 150
Timeline	Annually, February/March
Allocation	\$7,500

**IV. Membership**

Description	<b>Annual Membership Dues</b>  The annual dues are separate from event and program sponsorships and is based on the number of employees at each business.
Deliverables	All appropriate Chamber Benefits
Timeline	Annual renewal
Allocation	\$2,585

**REPORTS**

On or before June 30, 2023, Chamber shall submit a report to City in a form acceptable to the City Manager or his designee, which shall include, without limitation, detailed information on overall project management and achievement of goals as compared to the work plan and budget set forth in this Exhibit A. Additionally, Chamber shall provide a presentations/status report to the City Council in January 2023 on tasks completed thus far. A sample report and draft presentation is outlined below.

**Draft Presentation**

**MBCC Semi Annual Work Plan Progress Presentation**

**MB Map Update    Progress on Map / Distribution**

**SEO - Metrics**

- Organic Traffic - Increased Traffic to Website
- Engagement - Where did users go on the Website, Time Spent, etc.
- Goals & Conversions - Conversion is an action counted when an interaction occurs
- Landing Pages - What pages attracted the user
- Rankings & Keywords - Target Keyword Ranking & Overall Search Visibility
- Link Metrics - Growing Backlinks - an incoming hyperlink from one web page to another website.
- Trends - Performance over time
- Commentary - Balanced mix of Data and Commentary

**GEO Fencing – Metrics**

- Cost per Mille (CPM) - Cost per Thousand Impressions
- Cost per Click (CPC) - Cost of the Audience Clicking or Interacting

- Clickthrough Rate (CTR) - Ratio of how often ad is shown vs engaged with
- Traffic - Interaction with User
- Sales Metrics - Sales and Monthly Revenue

### **The Corridor - Meetings**

- Number Held
- Attendees
- Notes
- Action Items
- Feedback

### **Business Safety/Education/Homelessness Seminars**

- Event Held
- Attendees
- Topic Discussed
- Feedback

### **YEA Investor Panel - Report Provided by Council Member Participating in the Panel**

### **Meet the Neighbors**

- Event Held
- Attendees
- Topic Discussed
- Action Items if Necessary
- Resolution if Necessary
- Feedback

Note – the presentation will have graphs, numbers, and commentary combined.



**EXHIBIT B  
APPROVED FEE SCHEDULE**

Disbursements shall be governed by the schedule below, contingent upon work item completion percentage and their funding levels. First disbursement will be provided to Chamber of Commerce on January 30, 2023. The second disbursement will be provided on June 30, 2023.

<b>Disbursement</b>	<b>Work Plan Item</b>	<b>Amount</b>	<b>Completion Percentage</b>	<b>Disbursement Amount</b>
<b>First Disbursement</b>	Manhattan Beach Map	\$5,000	50%	\$2,500
	Online Visitor Resource Center - Search Engine Optimization (SEO)	\$6,000	50%	\$3,000
	On-line Ad and Pay Search (Geo Fencing)	\$3,000	50%	\$1,500
	Sepulveda/Rosecrans/Artesia Corridor–Business Organization Committee	\$10,000	50%	\$5,000
	Business Safety/Education/Homelessness Seminars	\$3,000	50%	\$1,500
	Meet the Neighbors, Business Information Exchange	\$3,000	50%	\$1,500
	Best of Manhattan	\$5,000	100%	\$5,000
	State of the City	\$7,500	100%	\$7,500
<b>Subtotal</b>				<b>\$27,500</b>
<b>Second Disbursement</b>	Manhattan Beach Map	\$5,000	50%	\$2,500
	Online Visitor Resource Center - Search Engine Optimization (SEO)	\$6,000	50%	\$3,000
	On-line Ad and Pay Search (Geo Fencing)	\$3,000	50%	\$1,500
	Sepulveda/Rosecrans/Artesia Corridor – Business Organization Committee	\$10,000	50%	\$5,000
	Business Safety/Education/Homelessness Seminars	\$3,000	50%	\$1,500
	Young Entrepreneurs Academy (YEA!) - Investor Panel	\$2,500	100%	\$2,500
	Meet the Neighbors, Business Information Exchange	\$3,000	50%	\$1,500
	Annual Membership Fee	\$2,585	100%	\$2,585
<b>Subtotal</b>				<b>\$20,085</b>
<b>Total</b>				<b>\$47,585</b>



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/21/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> License # 0156036 Beach Financial Group Inc 360 N Pacific Coast Highway Suite 2000 El Segundo, CA 90245	<b>CONTACT NAME:</b> Zoya Bryant <b>PHONE (A/C, No, Ext):</b> (310) 414-2100 1017 <b>FAX (A/C, No):</b> (310) 414-2101 <b>E-MAIL ADDRESS:</b> zoya@beachfinancialgroup.com
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURER A : Sentinel Insurance Company Limited</b>	
<b>NAIC #</b>	
<b>11000</b>	
<b>INSURED</b>	<b>INSURER B :</b> <b>INSURER C :</b> <b>INSURER D :</b> <b>INSURER E :</b> <b>INSURER F :</b>
Manhattan Beach Chamber of Commerce 425 15th Street Manhattan Beach, CA 90266	

**COVERAGES**

**CERTIFICATE NUMBER:**

**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		72SBABC5969	7/1/2022	7/1/2023	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	<input type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			72SBABC5969	7/1/2022	7/1/2023	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			72SBABC5969	7/1/2022	7/1/2023	EACH OCCURRENCE	\$ 2,000,000
							AGGREGATE	\$ 2,000,000
								\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below    N / A						PER STATUTE    OTH-ER	
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 The City, its officers, officials, employees, designated volunteers and agents serving as independent contractors in the role of City officials, are additional insured with respects to the General Liability policy. Coverage is Primary and Non-Contributory.

**CERTIFICATE HOLDER**

**CANCELLATION**

The City of Manhattan Beach 1400 Highland Ave. Manhattan Beach, CA 90266	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	---

**POLICY NUMBER:** 72 SBA BC5969



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

ADDITIONAL INSURED - PERSON-ORGANIZATION

CITY OF MANHATTAN BEACH -----  
1400 HIGHTLAND AVE  
MANHATTAN BEACH, CA 90266



## RESOURCES TO HELP YOUR BUSINESS GROW!

As a policyholder through USLI or Devon Park Specialty, you have access to many free and discounted services through the Business Resource Center that will assist you in operating, growing and protecting your business. Consider the following services and associated cost savings when deciding where to place your insurance!

### HUMAN RESOURCES



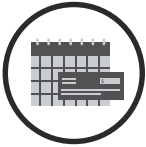
- » Free human resources consultation hotline to be used for personnel issues, including harassment and discrimination, the Family and Medical Leave Act, disability, wage and hours regulations and more
- » Online library with information, forms and articles pertaining to human resources
- » Resources for recruiting and training as well as termination and administration

### PRE-EMPLOYMENT AND TENANT SCREENINGS



- » Discounted background checks, including multi-court criminal database searches, county criminal searches and more (first background check is free)
- » Best practices for performing a background check
- » Discounted tenant and drug screenings and motor vehicle reports (MVRs)

### PAYROLL AND TAXES



- » Discounted payroll processing and tax services tailored for either a small or large business

### CYBER RISK



- » Materials about securing personal and payment card information
- » Complimentary access to tools and resources that will help you understand your exposure to a data breach and the importance of a response plan

### MARKETING

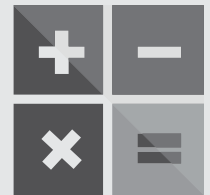


- » Suggested free and paid services, including email campaigns, photo editing, file management and more, for web marketing for your business
- » Suggested free and paid services for social media platforms, development, management and more
- » Discounted promotional items, giveaways and signage

### SAFETY



- » Free on-site safety and occupational health consultation for your business
- » Free personal credit report
- » Disaster and emergency preparedness resources
- » Discounted alcohol and food server safety training for your staff and servers
- » Discounted CPR and first aid training
- » Youth resources for concussion training, waivers of liability, recognizing the signs and symptoms of child abuse, and more



Try our cost-savings calculator to see how much you could save!



# 24/7 CLAIM REPORTING

In our continuing effort to provide you with excellent claim service, you may now report a claim and get claim assistance 24 hours a day/7 days a week.

**For claim reporting, call toll free 1-888-875-5231 or visit [USLI.COM](http://USLI.COM) and select the “report a claim” option.**

For emergency claims requiring immediate assistance, please use the toll free option. Your call will be referred to a claims professional who will respond within an hour of your call with direction and assistance.

Thank you for placing your trust in our company. We pledge to work hard every day to earn and maintain that trust.



## **UNITED STATES LIABILITY INSURANCE GROUP**

### **CONSUMER DISCLOSURE NOTICE**

#### **CALIFORNIA**

**Please contact the agent or broker that has delivered your policy if you have questions or need assistance. If you need the telephone number of the agent or broker or need other assistance, please contact us at:**

**1190 Devon Park Drive, Wayne, PA 19087  
Toll Free Direct 1-888-523-5545  
Compliance Department**

**Before you file a complaint with the California Department of Insurance, you should first contact the insurance company, agent or broker in an effort to resolve the issue(s). If you do not reach a satisfactory resolution of the issue(s), then contact the California Department of Insurance.**

**You may contact the California Department of Insurance to obtain information or make a complaint.**

**California Department of Insurance  
Consumer Communications Bureau  
300 South Spring Street, South Tower  
Los Angeles, CA 90013  
1-800-927-HELP (4357) or 213-897-8921  
TDD Number: 1-800-482-4TDD (4833)  
[www.insurance.ca.gov](http://www.insurance.ca.gov)**



eRiskHub®

# FREE PRIVACY BREACH RISK MANAGEMENT RESOURCES

## Will You Be Prepared When a Privacy Breach Occurs?



Every year, thousands of breaches are reported, exposing millions of people's personal information. The eRiskHub® portal, powered by NetDiligence®, is an effective way to combat privacy breaches and other types of cyber losses.

**With your USLI policy, you will receive instructions on how to access and begin using the eRiskHub® portal, a benefit that is valued in excess of \$1,200 a year!**

eRiskHub® is the one-stop shop you need to become educated about and prepared for a privacy breach. This free service is available to USLI policyholders.

Using proprietary tools anchored in proven risk management principals, NetDiligence® provides a full range of enterprise-level information security, e-risk insurability and regulatory compliance assessment and testing services. NetDiligence® supports and is endorsed by some of the world's largest network liability insurance underwriters.

### How to start using this free offering:

- ▶ Go to [eriskhub.com/usli](http://eriskhub.com/usli)
- ▶ Click "Register Now" to set up a free account
- ▶ Create your own username and password; your access code is **08451**

### Key Features of the eRiskHub® Portal



**Data Breach Calculators** – Learn how to estimate the cost of a breach, notification costs and business interruption



**Learning Center** – Best practices articles, white papers and webinars from leading technical and legal experts. Highlighted topics include PCI compliance and social engineering



**Security Training** – Watch videos for best practices in security and privacy awareness or download a training guide



**Risk Manager Tools** – Assist you in managing your cyber risk, including a self-assessment, a sample website privacy policy and a tool for HIPAA compliance



**Ransomware Resources** – A directory to quickly find external resources with expertise in pre- and post-breach disciplines



**Consultation** – Breach Coach, HIPAA Coach and Security Coach available to assist you



## Check Out Your New Employment Practices Liability Risk Management Toolkit from PeopleSystems

### Free Employment Practices Liability (EPL) Helpline 1-888-811-4182 (8 a.m. to 7:30 p.m. Eastern Time)

If a human resource consulting firm offered you their time and expertise for free, would you lock their phone number and email address in a drawer and never call? Of course not! Do you have questions such as:

- ▶ What are the current federal and state employment laws I need to know?
- ▶ What are “wage and hour” regulations? What does “exempt” versus “non-exempt” mean?
- ▶ How should I handle terminating, suspending or warning an employee?
- ▶ What type of human resources policies should I have in place?
- ▶ How should I properly document performance issues and disciplinary actions in an employee’s file?
- ▶ What are appropriate and inappropriate questions to ask during an employment interview?
- ▶ What guidelines should I use to investigate a complaint of discrimination or harassment?

PeopleSystems is just a free phone call or email away!

### Online Human Resources Center [www.peoplesystems.com/USLI](http://www.peoplesystems.com/USLI)

To access the USLI policyholder features, click on “Request for client login” and complete with your information. Please take a moment to become familiar with the new PeopleSystems Resource Center’s information.

- ▶ **Helpline to email your human resource questions:** Now you can email your questions via this web portal.
- ▶ **Human resource news center and recent employment law changes:** The news center keeps you up-to-date with recent changes in state and federal employment laws and what they mean to you as well as pertinent articles on employment issues you need to know about.
- ▶ **Human resource manual and employment forms:** You will find “Best Practices” helpful for handling common human resource issues. Issues may include conducting employee evaluations and understanding employment laws such as FLSA, FMLA and COBRA.
- ▶ **Human resource recommendations:** You will also find sample human resource policies regarding discrimination, harassment, employment at-will and electronic communications.



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Renewal of Number

# United States Liability Insurance Company

1190 Devon Park Drive, Wayne, Pennsylvania 19087

A Member Company of United States Liability Insurance Group

POLICY DECLARATIONS

No. NDO1573678C

NAMED INSURED AND ADDRESS:

MANHATTAN BEACH CHAMBER OF COMMERCE

425 15TH STREET

MANHATTAN BEACH, CA 90266

POLICY PERIOD: (MO. DAY YR.) From: 06/25/2022 To: 06/25/2023

12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION: Non-Profit Directors and Officers

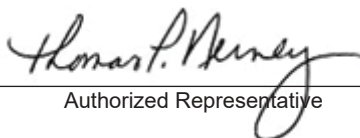
IN CONSIDERATION OF THE RENEWAL PREMIUM STATED BELOW, EXPIRING POLICY NUMBER NDO1573678B IS RENEWED FOR THE POLICY PERIOD STATED ABOVE. PLEASE ATTACH THIS RENEWAL CERTIFICATE TO YOUR EXPIRING POLICY. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.

	PREMIUM
Non Profit Management Liability Coverage Parts	\$1,192.00
TOTAL:	\$1,192.00

Coverage Form(s) and Endorsement(s) made a part of this policy at time of issue  
 See Endorsement EOD (1/95)

Agent: BICHLMEIER INSURANCE SERVICES, INC. (2036)  
 730 South Pacific Coast Highway, Suite #201  
 Redondo Beach, CA 90277

Issued: 06/08/2022 1:28 PM

By:   
 Authorized Representative

UPC (08-07) THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

## EXTENSION OF DECLARATIONS

Policy No. NDO1573678C

Effective Date: 06/25/2022

12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS

## FORMS AND ENDORSEMENTS

The following forms apply to the Management Liability coverage part

<i>Endt#</i>	<i>Revised</i>	<i>Description of Endorsements</i>
DO CA	05/17	California State Amendatory Endorsement
DO-100	05/17	Directors and Officers Coverage Part
DO-101	05/17	Employment Practices Coverage Part
DO-211	05/17	Insurance Operations Exclusion
DO-239	05/17	Specified Person or Entity Exclusion
DO-283	05/17	Data and Security Plus Endorsement
DO-298	05/17	Amendment of Prior or Pending Litigation Exclusion
DO-GTC	05/17	General Terms and Conditions
Jacket	07/19	Policy Jacket

## NON PROFIT MANAGEMENT LIABILITY COVERAGE PART DECLARATIONS

PLEASE READ YOUR POLICY CAREFULLY.

THIS IS A CLAIMS MADE POLICY COVERAGE FORM AND UNLESS OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS FORM IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE DURING THE POLICY PERIOD, OR THE EXTENSION PERIOD, IF APPLICABLE. DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION.

No. NDO1573678C

Effective Date: 06/25/2022

12:01 AM STANDARD TIME

ITEM I. PARENT ORGANIZATION AND PRINCIPAL ADDRESS

MANHATTAN BEACH CHAMBER OF COMMERCE  
425 15TH STREET  
MANHATTAN BEACH, CA 90266

ITEM II. POLICY PERIOD: (MM/DD/YYYY) From: 06/25/2022 To: 06/25/2023

Non Profit Directors and Officers Liability Coverage Part

ITEM III. LIMITS OF LIABILITY

a. Non Profit Directors & Officers	\$1,000,000	EACH CLAIM
b. Non Profit Directors & Officers	\$1,000,000	IN THE AGGREGATE

ITEM IV. RETENTION: \$0 EACH CLAIM

ITEM V. PREMIUM: \$737

RETROACTIVE DATE: Full Prior Acts

PRIOR OR PENDING LITIGATION See form DO-298

Employment Practices Liability Coverage Part

ITEM III. LIMITS OF LIABILITY

a. Employment Practices	\$1,000,000	EACH CLAIM
b. Employment Practices	\$1,000,000	IN THE AGGREGATE

ITEM IV. RETENTION: \$5,000 EACH CLAIM

ITEM V. PREMIUM: \$455

RETROACTIVE DATE: Full Prior Acts

PRIOR OR PENDING LITIGATION See form DO-298

NON PROFIT MANAGEMENT LIABILITY COVERAGE PART DECLARATIONS

PLEASE READ YOUR POLICY CAREFULLY.

THIS IS A CLAIMS MADE POLICY COVERAGE FORM AND UNLESS OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS FORM IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE DURING THE POLICY PERIOD, OR THE EXTENSION PERIOD, IF APPLICABLE. DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION.

No. NDO1573678C

Effective Date: 06/25/2022

12:01 AM STANDARD TIME

Fiduciary Liability Coverage Part

ITEM III. LIMITS OF LIABILITY

a. Fiduciary Liability NOT COVERED

ITEM IV. RETENTION: NOT COVERED

ITEM V. PREMIUM: NOT COVERED

ITEM VI. Coverage Form(s)/Part(s) and Endorsement(s) made a part of this policy at time of issue:  
See Endorsement EOD (01/95)

This Endorsement modifies insurance provided under the following:

NON PROFIT MANAGEMENT LIABILITY POLICY

SPECIFIED PERSON OR ENTITY EXCLUSION

It is hereby agreed that this endorsement applies to all purchased Coverage Parts:

The Company shall not be liable for Loss or Defense Costs in connection with any Claim:

1. brought by the person(s) or entity(ies) named below; or
2. brought against an Insured based upon, arising out of, directly or indirectly resulting from or in consequence of the activities, operations, acts or failure to act of the following person(s) or entity(ies):

Helen Duncan

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

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**AUGUST 11, 2021**

IN REPLY REFER TO:

**9108273-21**

MANHATTAN BEACH CHAMBER OF COMME  
425 15TH ST  
MANHATTAN BEACH, CA 90266

Dear Policyholder

Thank you for choosing us as your workers' compensation insurance carrier.

This package contains your renewal documents as listed on the following page. Please keep these together.

Our goal is to provide you with fast, efficient, and the most convenient service possible. We truly appreciate your business. If you have any questions about the information in this mailing, please contact your broker of record or your local State Compensation Insurance Fund office.

State Compensation Insurance Fund

**BROKER COPY**

5880 Owens Dr ■ Pleasanton, CA 94588-3900

City Council Meeting  
January 17, 2023

Mailing Address: P.O. Box 8192 ■ Pleasanton, CA 94588-8792

Page 128 of 948





IN REPLY REFER TO:  
**9108273-21**

WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY  
INSURANCE POLICY  
STATE COMPENSATION INSURANCE FUND  
Forms and Endorsements Applicable List Policy

FORM NUMBER	FORM DESCRIPTION
10963A	ANNUAL RATING ENDORSEMENT
10217	9904 - ENDORSEMENT AGREEMENT - WORDING CHANGE ENDORSEMENT
10217	1159 -ENDORSEMENT AGREEMENT- COVID-19 REPORTING REQUIREMENT ENDORSEMENT - CALIFORNIA
10217	2029 -ENDORSEMENT AGREEMENT- CALIFORNIA SHORT-RATE CANCELLATION
10217	2089 -ENDORSEMENT AGREEMENT- STATUTORY ACCOUNTING PRINCIPLES - BILL RECEIVABLE
10217	2437 -ENDORSEMENT AGREEMENT- MEDICAL PROVIDER NETWORK ENDORSEMENT
10217	2567 -ENDORSEMENT AGREEMENT- TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT
10217	9961 -ENDORSEMENT AGREEMENT- CLASS AND RATES AMENDED
10610D	POLICY HOLDER NOTICE

**BROKER COPY**

5880 Owens Dr • Pleasanton, CA 94588-3900

City Council Meeting  
January 17, 2023

Mailing Address: P.O. Box 8192 • Pleasanton, CA 94588-8792



HOME OFFICE	SAN FRANCISCO	ANNUAL RATING ENDORSEMENT
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IT IS AGREED THAT THE CLASSIFICATIONS AND RATES PER \$100 OF REMUNERATION APPEARING IN THE CONTINUOUS POLICY ISSUED TO THIS EMPLOYER ARE AMENDED AS SHOWN BELOW.

HERE ARE YOUR NEW RATES FOR THE PERIOD INDICATED. IF YOUR NAME OR ADDRESS SHOULD BE CORRECTED OR IF INSURANCE IS NOT NEEDED FOR NEXT YEAR, PLEASE TELL US.

**IMPORTANT** THIS IS NOT A BILL  
SEND NO MONEY UNLESS STATEMENT IS ENCLOSED

CONTINUOUS POLICY 9108273-21

THE RATING PERIOD BEGINS AND ENDS AT 12:01AM PACIFIC STANDARD TIME

RATING PERIOD 8-08-21 TO 8-08-22

MANHATTAN BEACH CHAMBER OF COMME  
425 15TH ST  
MANHATTAN BEACH, CALIF 90266

DEPOSIT PREMIUM \$0.00  
MINIMUM PREMIUM \$500.00  
PREMIUM ADJUSTMENT PERIOD QUARTERLY  
R SC

NAME OF EMPLOYER- MANHATTAN BEACH CHAMBER OF COMMERCE  
(A NON-PROFIT ORGANIZATION)

CODE NO. PRINCIPAL WORK AND RATES EFFECTIVE FROM 08-08-21 TO 08-08-22

CODE NO.	PRINCIPAL WORK AND RATES EFFECTIVE FROM 08-08-21 TO 08-08-22	PREMIUM BASIS	BASE RATE	INTERIM BILLING RATE*
8742-1	SALESPERSONS--OUTSIDE.	130000	.79	.73
8810-1	CLERICAL OFFICE EMPLOYEES--N.O.C.	0	.51	.47
8871-1	CLERICAL TELECOMMUTER EMPLOYEES--N.O.C.	0	.25	.23

\*\*\*\*\*BUREAU NOTE INFORMATION\*\*\*\*\*

FEIN 950968754  
FEIN 956000742  
FEIN 954525658

TOTAL ESTIMATED ANNUAL PREMIUM \$945

**BROKER COPY**



HOME OFFICE SAN FRANCISCO ANNUAL RATING ENDORSEMENT

IT IS AGREED THAT THE CLASSIFICATIONS AND RATES PER \$100 OF REMUNERATION APPEARING IN THE CONTINUOUS POLICY ISSUED TO THIS EMPLOYER ARE AMENDED AS SHOWN BELOW.

HERE ARE YOUR NEW RATES FOR THE PERIOD INDICATED. IF YOUR NAME OR ADDRESS SHOULD BE CORRECTED OR IF INSURANCE IS NOT NEEDED FOR NEXT YEAR, PLEASE TELL US.

IMPORTANT THIS IS NOT A BILL SEND NO MONEY UNLESS STATEMENT IS ENCLOSED

CONTINUOUS POLICY 9108273-21

THE RATING PERIOD BEGINS AND ENDS AT 12:01AM PACIFIC STANDARD TIME

RATING PERIOD 8-08-21 TO 8-08-22

\* INTERIM BILLING RATES WILL BE USED ON PAYROLL REPORTS. THEY TAKE INTO ACCOUNT RATING PLAN CREDITS (OR DEBITS) WHICH WILL APPLY AT FINAL BILLING AND AN ESTIMATE OF YOUR PREMIUM DISCOUNT AS DETAILED BELOW.

RATING PLAN CREDITS (DEBITS) EFFECTIVE FROM 08-08-21 TO 08-08-22

Table with 2 columns: Description and Rate. Rows include RATING PLAN MODIFIER (0.92000), ESTIMATED PREMIUM DISCOUNT MODIFIER (1.00000), and COMPOSITE FACTOR APPLIED TO BASE RATES TO DERIVE INTERIM BILLING RATES (0.92000).

Premium discount schedule table with columns: FIRST, ABOVE, and percentages (0.0%, 11.3%).

THE ESTIMATED PREMIUM DISCOUNT IS BASED ON AN ESTIMATE OF YOUR PAYROLL. ACTUAL PREMIUM DISCOUNT APPLIED AT FINAL BILLING WILL BE BASED ON THE ACTUAL PAYROLL REPORTED ON YOUR POLICY AND SUBJECT TO AUDIT.

BROKER COPY



HOME OFFICE	SAN FRANCISCO	ANNUAL RATING ENDORSEMENT
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IT IS AGREED THAT THE CLASSIFICATIONS AND RATES PER \$100 OF REMUNERATION APPEARING IN THE CONTINUOUS POLICY ISSUED TO THIS EMPLOYER ARE AMENDED AS SHOWN BELOW.

CONTINUOUS POLICY 9108273-21

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR LOCAL STATE FUND OFFICE BELOW:

CSC - POLICY AT VACAVILLE  
 1020 VAQUERO CIRCLE  
 VACAVILLE, CA 95688  
 (877) 405-4545

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions agreements or limitations of the Policy other than as herein stated.

When countersigned by a duly authorized officer or representative of the State Compensation Insurance Fund, these declarations shall be valid and form part of the Policy.

AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO

**BROKER COPY**



ENDORSEMENT AGREEMENT

BROKER COPY

COVID-19 REPORTING REQUIREMENT  
ENDORSEMENT - CALIFORNIA

9108273-21  
RENEWAL  
SC  
0-25-33-40  
PAGE 1 OF 4

HOME OFFICE  
SAN FRANCISCO

EFFECTIVE AUGUST 8, 2021 AT 12.01 A.M.  
TO AUGUST 8, 2022 AT 12.01 A.M.

ALL EFFECTIVE DATES ARE  
AT 12:01 AM PACIFIC  
STANDARD TIME OR THE  
TIME INDICATED AT  
PACIFIC STANDARD TIME

MANHATTAN BEACH CHAMBER OF COMMERCE  
425 15TH ST  
MANHATTAN BEACH, CA 90266

IN ADDITION TO THE REQUIREMENTS UNDER PART 4, "YOUR DUTIES  
IF INJURY OCCURS" OF YOUR POLICY, IF YOU HAVE FIVE OR MORE  
EMPLOYEES AND AN EMPLOYEE THAT IS NOT DESCRIBED IN  
CALIFORNIA LABOR CODE SECTION 3212.87 TESTS POSITIVE FOR  
COVID-19, YOU ARE REQUIRED TO REPORT THE FOLLOWING  
INFORMATION AS PROVIDED BELOW.

REPORTING COVID-19 POSITIVE TESTS FROM JULY 6, 2020 TO  
SEPTEMBER 17, 2020

PURSUANT TO CALIFORNIA LABOR CODE SECTION 3212.88(K) (2), IF  
YOU ARE AWARE OF AN EMPLOYEE TESTING POSITIVE FOR COVID-19  
ON OR AFTER JULY 6, 2020 AND PRIOR TO SEPTEMBER 17, 2020,  
YOU MUST REPORT TO YOUR CLAIMS ADMINISTRATOR IN WRITING VIA  
ELECTRONIC MAIL OR FACSIMILE WITHIN 30 BUSINESS DAYS OF  
SEPTEMBER 17, 2020, ALL OF THE FOLLOWING:

1. AN EMPLOYEE HAS TESTED POSITIVE. FOR PURPOSES OF THIS  
REPORTING, DO NOT PROVIDE ANY PERSONALLY IDENTIFIABLE  
INFORMATION REGARDING THE EMPLOYEE WHO TESTED POSITIVE  
FOR COVID-19 UNLESS THE EMPLOYEE ASSERTS THE INFECTION  
IS WORK RELATED OR HAS FILED A CLAIM FORM PURSUANT TO  
CALIFORNIA LABOR CODE SECTION 5401.
2. THE DATE THAT THE EMPLOYEE TESTS POSITIVE, WHICH IS THE  
DATE THE SPECIMEN WAS COLLECTED FOR TESTING.
3. THE SPECIFIC ADDRESS OR ADDRESSES OF THE EMPLOYEE'S

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR  
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO



ENDORSEMENT AGREEMENT

BROKER COPY

COVID-19 REPORTING REQUIREMENT ENDORSEMENT - CALIFORNIA

9108273-21 RENEWAL SC 0-25-33-40 PAGE 2 OF 4

HOME OFFICE SAN FRANCISCO

EFFECTIVE AUGUST 8, 2021 AT 12.01 A.M. TO AUGUST 8, 2022 AT 12.01 A.M.

ALL EFFECTIVE DATES ARE AT 12:01 AM PACIFIC STANDARD TIME OR THE TIME INDICATED AT PACIFIC STANDARD TIME

MANHATTAN BEACH CHAMBER OF COMMERCE 425 15TH ST MANHATTAN BEACH, CA 90266

CONTINUED.

SPECIFIC PLACE OF EMPLOYMENT DURING THE 14-DAY PERIOD PRECEDING DATE OF THE EMPLOYEE'S POSITIVE TEST.

- 4. THE HIGHEST NUMBER OF EMPLOYEES WHO REPORTED TO WORK AT EACH OF THE EMPLOYEE'S SPECIFIC PLACES OF EMPLOYMENT ON ANY GIVEN WORK DAY BETWEEN JULY 6, 2020 AND SEPTEMBER 17, 2020.

REPORTING COVID-19 POSITIVE TEST FROM SEPTEMBER 17, 2020 TO JANUARY 1, 2023

PURSUANT TO CALIFORNIA LABOR CODE SECTION 3212.88(I), WHEN YOU KNOW, OR REASONABLY SHOULD KNOW, THAT AN EMPLOYEE HAS TESTED POSITIVE FOR COVID-19 BETWEEN SEPTEMBER 17, 2020 AND JANUARY 1, 2023, YOU MUST REPORT TO YOUR CLAIMS ADMINISTRATOR IN WRITING VIA ELECTRONIC MAIL OR FACSIMILE WITHIN 3 BUSINESS DAYS ALL OF THE FOLLOWING:

- 1. AN EMPLOYEE HAS TESTED POSITIVE. FOR PURPOSES OF THIS REPORTING, DO NOT PROVIDE ANY PERSONALLY IDENTIFIABLE INFORMATION REGARDING THE EMPLOYEE WHO TESTED POSITIVE FOR COVID-19 UNLESS THE EMPLOYEE ASSERTS THE INFECTION IS WORK RELATED OR HAS FILED A CLAIM FORM PURSUANT TO CALIFORNIA LABOR CODE SECTION 5401.
2. THE DATE THAT THE EMPLOYEE TESTS POSITIVE, WHICH IS THE DATE THE SPECIMEN WAS COLLECTED FOR TESTING.

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

[Signature of Authorized Representative]

[Signature of President and CEO]



ENDORSEMENT AGREEMENT

BROKER COPY

COVID-19 REPORTING REQUIREMENT  
ENDORSEMENT - CALIFORNIA

9108273-21  
RENEWAL  
SC  
0-25-33-40  
PAGE 3 OF 4

HOME OFFICE  
SAN FRANCISCO

EFFECTIVE AUGUST 8, 2021 AT 12.01 A.M.  
TO AUGUST 8, 2022 AT 12.01 A.M.

ALL EFFECTIVE DATES ARE  
AT 12:01 AM PACIFIC  
STANDARD TIME OR THE  
TIME INDICATED AT  
PACIFIC STANDARD TIME

MANHATTAN BEACH CHAMBER OF COMME  
425 15TH ST  
MANHATTAN BEACH, CA 90266

CONTINUED.

- 3. THE SPECIFIC ADDRESS OR ADDRESSES OF THE EMPLOYEE'S SPECIFIC PLACE OF EMPLOYMENT DURING THE 14-DAY PERIOD PRECEDING THE DATE OF THE EMPLOYEE'S POSITIVE TEST.
- 4. THE HIGHEST NUMBER OF EMPLOYEES WHO REPORTED TO WORK AT THE EMPLOYEE'S SPECIFIC PLACE OF EMPLOYMENT IN THE 45-DAY PERIOD PRECEDING THE LAST DAY THE EMPLOYEE WORKED AT EACH SPECIFIC PLACE OF EMPLOYMENT.

LABOR CODE SECTION 3212.88(J) STATES THAT THE INTENTIONAL SUBMISSION OF FALSE OR MISLEADING INFORMATION OR THE FAILURE TO REPORT THE ABOVE INFORMATION AS REQUIRED MAY SUBJECT YOU TO A CIVIL PENALTY IN THE AMOUNT OF UP TO \$10,000 TO BE ASSESSED BY THE LABOR COMMISSIONER.

FOR THE PURPOSES OF THESE REQUIREMENTS, CALIFORNIA LABOR CODE SECTION 3212.88(M) PROVIDES THE FOLLOWING:

- 1. "COVID-19" MEANS THE 2019 NOVEL CORONAVIRUS DISEASE.
- 2. "TEST" OR "TESTING" MEANS A PCR (POLYMERASE CHAIN REACTION) TEST APPROVED FOR USE OR APPROVED FOR EMERGENCY USE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION TO DETECT THE PRESENCE OF VIRAL RNA. "TEST" OR "TESTING" DOES NOT INCLUDE SEROLOGIC TESTING, ALSO KNOWN AS ANTIBODY TESTING. "TEST" OR "TESTING" MAY INCLUDE ANY OTHER VIRAL CULTURE TEST APPROVED FOR USE OR

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO



ENDORSEMENT AGREEMENT

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COVID-19 REPORTING REQUIREMENT  
ENDORSEMENT - CALIFORNIA

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HOME OFFICE  
SAN FRANCISCO

EFFECTIVE AUGUST 8, 2021 AT 12.01 A.M.  
TO AUGUST 8, 2022 AT 12.01 A.M.

ALL EFFECTIVE DATES ARE  
AT 12:01 AM PACIFIC  
STANDARD TIME OR THE  
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MANHATTAN BEACH CHAMBER OF COMME  
425 15TH ST  
MANHATTAN BEACH, CA 90266

CONTINUED.

APPROVED FOR EMERGENCY USE BY THE UNITED STATES FOOD AND  
DRUG ADMINISTRATION TO DETECT THE PRESENCE OF VIRAL RNA  
WHICH HAS THE SAME OR HIGHER SENSITIVITY AND SPECIFICITY  
AS THE PCR TEST.

- 3. "A SPECIFIC PLACE OF EMPLOYMENT" MEANS THE BUILDING,  
STORE, FACILITY, OR AGRICULTURAL FIELD WHERE AN EMPLOYEE  
PERFORMS WORK AT THE EMPLOYER'S DIRECTION. "A SPECIFIC  
PLACE OF EMPLOYMENT" DOES NOT INCLUDE THE EMPLOYEE'S  
HOME OR RESIDENCE, UNLESS THE EMPLOYEE PROVIDES HOME  
HEALTH CARE SERVICES TO ANOTHER INDIVIDUAL AT THE  
EMPLOYEE'S HOME RESIDENCE.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR  
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO





ENDORSEMENT AGREEMENT
CALIFORNIA SHORT-RATE CANCELLATION

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EFFECTIVE AUGUST 8, 2021 AT 12.01 A.M.
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425 15TH ST
MANHATTAN BEACH, CA 90266

THE INSURANCE UNDER THIS POLICY IS LIMITED AS FOLLOWS:

IT IS AGREED THAT ANYTHING IN THE POLICY TO THE CONTRARY
NOTWITHSTANDING, SUCH INSURANCE AS IS AFFORDED BY THIS
POLICY IS SUBJECT TO THE FOLLOWING PROVISIONS:

IF YOU CANCEL THE POLICY AND A DISCLOSURE WAS PROVIDED IN
ACCORDANCE WITH SECTION 481(C) OF THE CALIFORNIA INSURANCE
CODE, FINAL PREMIUM WILL BE BASED ON THE TIME THIS POLICY
WAS IN FORCE AND INCREASED BY THE SHORT-RATE CANCELLATION
TABLE BELOW:

SHORT-RATE CANCELLATION TABLE

FINAL PREMIUM BASED ON THE TABLE BELOW WILL NOT BE LESS
THAN THE MINIMUM PREMIUM FOR THIS POLICY.

DAYS = EXTENDED NUMBER OF DAYS
% = PERCENTAGE OF FULL POLICY PREMIUM

Table with 6 columns: DAYS, %, DAYS, %, DAYS, %. Rows include 1-5%, 5-6-8%, 11-12-11%, 13-14-12%, 15-16-13%, 17-18-14%, 19-20-15%, 21-22-16%, 23-25-17%, 26-29-18%, 30-32-19%, 33-36-20%, 37-40-21%, 41-43-22%, 44-47-23%, 48-51-24%, 52-54-25%, 55-58-26%, 59-62-27%, 63-65-28%.

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

Handwritten signature of authorized representative

Handwritten signature of President and CEO



ENDORSEMENT AGREEMENT
CALIFORNIA SHORT-RATE CANCELLATION

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EFFECTIVE AUGUST 8, 2021 AT 12.01 A.M.
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425 15TH ST
MANHATTAN BEACH, CA 90266

CONTINUED.

Table with 6 columns showing age ranges and percentages from 66-69 to 352-355.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS POLICY OTHER THAN AS STATED.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

Signature of Authorized Representative

Signature of President and CEO



ENDORSEMENT AGREEMENT

STATUTORY ACCOUNTING PRINCIPLES  
BILL RECEIVABLE

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425 15TH ST  
MANHATTAN BEACH, CA 90266

ANY CONTRADICTION BETWEEN THE POLICY AND THIS ENDORSEMENT  
WILL BE CONTROLLED BY THIS ENDORSEMENT.

IT IS AGREED THAT THIS ENDORSEMENT AMENDS SECTION D. OF  
PART FIVE OF THE POLICY.

YOUR POLICY HAS BEEN WRITTEN ON QUARTERLY ADJUSTMENT  
PERIOD. YOU WILL PAY ALL PREMIUM WHEN DUE.

PAYROLL REPORTS AND PREMIUM ARE DUE WITHIN 10 DAYS (TEN)  
AFTER THE LAST DAY OF THE REPORTING PERIOD.

PAYMENT OF OUTSTANDING PREMIUM IS DUE WITHIN 10 DAYS (TEN)  
FROM THE BILL DATE.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR  
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO



**ENDORSEMENT AGREEMENT  
MEDICAL PROVIDER NETWORK**

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425 15TH ST  
MANHATTAN BEACH, CA 90266**

ANY CONTRADICTION BETWEEN THE POLICY AND THIS ENDORSEMENT  
WILL BE CONTROLLED BY THIS ENDORSEMENT.

THE STATE COMPENSATION INSURANCE FUND MEDICAL PROVIDER  
NETWORK IS ESTABLISHED IN ACCORDANCE WITH CALIFORNIA LABOR  
CODE 4600 ET SEQ AND APPROVED BY THE CALIFORNIA DIVISION OF  
WORKERS' COMPENSATION ADMINISTRATIVE DIRECTOR. THE INTENT  
OF THE 2004 LEGISLATION REQUIRING THE ESTABLISHMENT OF THE  
MEDICAL PROVIDER NETWORK IS INCREASED EMPLOYER CONTROL OVER  
THE COSTS OF TREATING EMPLOYEE WORK RELATED INJURIES AND  
DISEASE.

PART FOUR OF THE POLICY, YOUR DUTIES IF INJURY OCCURS, IS  
AMENDED AS FOLLOWS:

IT IS AGREED THAT THE POLICYHOLDER SHALL REFER ALL WORK  
RELATED INJURIES OR DISEASE TO THE STATE COMPENSATION  
INSURANCE FUND MEDICAL PROVIDER NETWORK AT THE TIME OF AN  
OCCUPATIONAL INJURY OR UPON KNOWLEDGE OF AN OCCUPATIONAL  
INJURY OR DISEASE.

IT IS FURTHER AGREED THAT WHEN AN EMPLOYEE NOTIFIES THE  
POLICYHOLDER OF AN OCCUPATIONAL INJURY OR FILES A CLAIM FOR  
WORKERS' COMPENSATION WITH THE POLICYHOLDER, THE POLICY-  
HOLDER SHALL ARRANGE AN INITIAL MEDICAL EVALUATION AND  
BEGIN TREATMENT WITHIN THE MEDICAL PROVIDER NETWORK. THE  
POLICYHOLDER SHALL NOTIFY THE EMPLOYEE OF HIS OR HER RIGHT

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
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POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
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LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: **AUGUST 11, 2021**

*Kent R. Va...*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO



**ENDORSEMENT AGREEMENT  
MEDICAL PROVIDER NETWORK**

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425 15TH ST  
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CONTINUED.

TO BE TREATED BY A PHYSICIAN OF HIS OR HER CHOICE FROM  
WITHIN THE MEDICAL PROVIDER NETWORK AFTER THE FIRST VISIT.  
THE POLICYHOLDER SHALL NOTIFY EMPLOYEE OF THE METHOD BY  
WHICH THE LIST OF PARTICIPATING PROVIDERS MAY BE ACCESSED  
BY EMPLOYEES.

IT IS FURTHER AGREED THAT IF AN INJURED EMPLOYEE DISPUTES  
EITHER THE DIAGNOSIS OR THE TREATMENT PRESCRIBED BY THE  
TREATING PHYSICIAN, THE EMPLOYEE MAY SEEK THE OPINION OF  
ANOTHER PHYSICIAN WITHIN THE MEDICAL PROVIDER NETWORK. IF  
THE INJURED EMPLOYEE DISPUTES THE DIAGNOSIS OR TREATMENT  
PRESCRIBED BY THE SECOND PHYSICIAN, THE EMPLOYEE MAY SEEK  
THE OPINION OF A THIRD PHYSICIAN WITHIN THE MEDICAL  
PROVIDER NETWORK.

IT IS FURTHER AGREED THAT THIS ENDORSEMENT IN NO WAY  
AFFECTS THE RIGHTS OF AN INJURED WORKER TO PREDESIGNATE A  
PHYSICIAN. AN EMPLOYEE MUST FILE WRITTEN NOTICE OF THE  
PREDESIGNATION WITH THE EMPLOYER PRIOR TO THE DATE OF  
INJURY. THE NOTICE MUST INCLUDE THE PHYSICIAN'S SIGNATURE  
OF AGREEMENT TO THE PREDESIGNATION, AND THE FOLLOWING  
CONDITIONS MUST APPLY:

THE PHYSICIAN IS THE EMPLOYEE'S REGULAR PHYSICIAN.

THE PHYSICIAN IS THE EMPLOYEE'S PRIMARY CARE PROVIDER WHO  
HAS PREVIOUSLY DIRECTED THE MEDICAL TREATMENT OF THE

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
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COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: **AUGUST 11, 2021**

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO



**ENDORSEMENT AGREEMENT  
MEDICAL PROVIDER NETWORK**

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425 15TH ST  
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CONTINUED.

EMPLOYEE AND RETAINS RECORDS OF THE TREATMENT AND MEDICAL HISTORY.

THE EMPLOYER PROVIDES THE STAFF WITH NONOCCUPATIONAL GROUP HEALTH COVERAGE IN A HEALTH-CARE SERVICE PLAN (SUCH AS AN HMO/PPO PROGRAM).

OR

THE EMPLOYER PROVIDES NONOCCUPATIONAL HEALTH COVERAGE IN A GROUP HEALTH PLAN OR A GROUP HEALTH INSURANCE POLICY, PER LABOR CODE 4616.7.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: **AUGUST 11, 2021**

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO

ENDORSEMENT AGREEMENT

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**TERRORISM RISK INSURANCE PROGRAM**  
**REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT**

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**MANHATTAN BEACH CHAMBER OF COMME**  
**425 15TH ST**  
**MANHATTAN BEACH, CA 90266**

THIS ENDORSEMENT ADDRESSES THE REQUIREMENTS OF THE  
TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED AND  
EXTENDED BY THE TERRORISM RISK INSURANCE PROGRAM  
REAUTHORIZATION ACT OF 2019. IT SERVES TO NOTIFY YOU OF  
CERTAIN LIMITATIONS UNDER THE ACT, AND THAT YOUR INSURANCE  
CARRIER IS CHARGING PREMIUM FOR LOSSES THAT MAY OCCUR IN  
THE EVENT OF AN ACT OF TERRORISM.

YOUR POLICY PROVIDES COVERAGE FOR WORKERS COMPENSATION  
LOSSES CAUSED BY ACTS OF TERRORISM, INCLUDING WORKERS  
COMPENSATION BENEFIT OBLIGATIONS DICTATED BY STATE LAW.  
COVERAGE FOR SUCH LOSSES IS STILL SUBJECT TO ALL TERMS,  
DEFINITIONS, EXCLUSIONS, AND CONDITIONS IN YOUR POLICY, AND  
ANY APPLICABLE FEDERAL AND/OR STATE LAWS, RULES, OR  
REGULATIONS.

DEFINITIONS

THE DEFINITIONS PROVIDED IN THIS ENDORSEMENT ARE BASED ON  
AND HAVE THE SAME MEANING AS THE DEFINITIONS IN THE ACT. IF  
WORDS OR PHRASES NOT DEFINED IN THIS ENDORSEMENT ARE  
DEFINED IN THE ACT, THE DEFINITIONS IN THE ACT WILL APPLY.

"ACT" MEANS THE TERRORISM RISK INSURANCE ACT OF 2002, WHICH  
TOOK EFFECT ON NOVEMBER 26, 2002, AND ANY AMENDMENTS  
THERE TO, INCLUDING ANY AMENDMENTS RESULTING FROM THE  
TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF  
2019.

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
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COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: **AUGUST 11, 2021**

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO



ENDORSEMENT AGREEMENT

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TERRORISM RISK INSURANCE PROGRAM
REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

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MANHATTAN BEACH CHAMBER OF COMME
425 15TH ST
MANHATTAN BEACH, CA 90266

CONTINUED.

"ACT OF TERRORISM" MEANS ANY ACT THAT IS CERTIFIED BY THE
SECRETARY OF THE TREASURY, IN CONSULTATION WITH THE
SECRETARY OF HOMELAND SECURITY, AND THE ATTORNEY GENERAL OF
THE UNITED STATES AS MEETING ALL OF THE FOLLOWING
REQUIREMENTS:

- A. THE ACT IS AN ACT OF TERRORISM.
B. THE ACT IS VIOLENT OR DANGEROUS TO HUMAN LIFE, PROPERTY
OR INFRASTRUCTURE.
C. THE ACT RESULTED IN DAMAGE WITHIN THE UNITED STATES, OR
OUTSIDE OF THE UNITED STATES IN THE CASE OF THE PREMISES
OF UNITED STATES MISSIONS OR CERTAIN AIR CARRIERS OR
VESSELS.
D. THE ACT HAS BEEN COMMITTED BY AN INDIVIDUAL OR
INDIVIDUALS AS PART OF AN EFFORT TO COERCE THE CIVILIAN
POPULATION OF THE UNITED STATES OR TO INFLUENCE THE
POLICY OR AFFECT THE CONDUCT OF THE UNITED STATES
GOVERNMENT BY COERCION.

"INSURED LOSS" MEANS ANY LOSS RESULTING FROM AN ACT OF
TERRORISM (AND, EXCEPT FOR PENNSYLVANIA, INCLUDING AN ACT
OF WAR, IN THE CASE OF WORKERS COMPENSATION) THAT IS
COVERED BY PRIMARY OR EXCESS PROPERTY AND CASUALTY
INSURANCE ISSUED BY AN INSURER IF THE LOSS OCCURS IN THE

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

Handwritten signature of authorized representative

Handwritten signature of President and CEO





ENDORSEMENT AGREEMENT

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TERRORISM RISK INSURANCE PROGRAM  
REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

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425 15TH ST  
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CONTINUED.

UNITED STATES OR AT THE PREMISES OF UNITED STATES MISSIONS  
OR TO CERTAIN AIR CARRIERS OR VESSELS.

"INSURER DEDUCTIBLE" MEANS, FOR THE PERIOD BEGINNING ON  
JANUARY 1, 2021, AND ENDING ON DECEMBER 31, 2027, AN AMOUNT  
EQUAL TO 20% OF OUR DIRECT EARNED PREMIUMS DURING THE  
IMMEDIATELY PRECEDING CALENDAR YEAR.

LIMITATION OF LIABILITY

THE ACT LIMITS OUR LIABILITY TO YOU UNDER THIS POLICY. IF  
AGGREGATE INSURED LOSSES EXCEED \$100,000,000,000 IN A  
CALENDAR YEAR AND IF WE HAVE MET OUR INSURER DEDUCTIBLE, WE  
ARE NOT LIABLE FOR THE PAYMENT OF ANY PORTION OF THE AMOUNT  
OF INSURED LOSSES THAT EXCEEDS \$100,000,000,000; AND FOR  
AGGREGATE INSURED LOSSES UP TO \$100,000,000,000, WE WILL  
PAY ONLY A PRO RATA SHARE OF SUCH INSURED LOSSES AS  
DETERMINED BY THE SECRETARY OF THE TREASURY.

POLICYHOLDER DISCLOSURE NOTICE

- 1. INSURED LOSSES WOULD BE PARTIALLY REIMBURSED BY THE  
UNITED STATES GOVERNMENT. IF THE AGGREGATE INDUSTRY  
INSURED LOSSES OCCURRING IN ANY CALENDAR YEAR EXCEED  
\$200,000,000, THE UNITED STATES GOVERNMENT WOULD PAY 80%  
OF OUR INSURED LOSSES THAT EXCEED OUR INSURER  
DEDUCTIBLE.

CONTINUED

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
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HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR  
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO



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TERRORISM RISK INSURANCE PROGRAM  
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CONTINUED.

2. NOTWITHSTANDING ITEM 1 ABOVE, THE UNITED STATES  
GOVERNMENT WILL NOT MAKE ANY PAYMENT UNDER THE ACT FOR  
ANY PORTION.

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED  
AND IS EFFECTIVE ON THE DATE ISSUED UNLESS OTHERWISE  
STATED.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
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COUNTERSIGNED AND ISSUED AT SAN FRANCISCO: AUGUST 11, 2021

City Council Meeting  
January 17, 2023  
AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO



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**425 15TH ST  
MANHATTAN BEACH, CA 90266**

ANYTHING IN THIS POLICY TO THE CONTRARY NOTWITHSTANDING, IT IS  
AGREED THAT THE WORDING FOR THE FOLLOWING CLASSIFICATION APPEARING  
IN THIS POLICY IS CHANGED TO READ-

CLASS    DESCRIPTION OF WORK

8871-1    CLERICAL TELECOMMUTER EMPLOYEES--N.O.C.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
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COUNTERSIGNED AND ISSUED AT SAN FRANCISCO:

AUGUST 11, 2021

9904  
City Council Meeting  
January 17, 2023  
REV. 7-2014

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO

ENDORSEMENT AGREEMENT

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STANDARD TIME OR THE  
TIME INDICATED AT  
PACIFIC STANDARD TIME

MANHATTAN BEACH CHAMBER OF COMME

425 15TH ST  
MANHATTAN BEACH, CA 90266

ANY CONTRADICTION BETWEEN THE POLICY AND THIS ENDORSEMENT WILL  
BE CONTROLLED BY THIS ENDORSEMENT.

IT IS AGREED THAT THE FOLLOWING CLASSIFICATION(S) IS (ARE)  
HEREBY ADDED TO AND MADE A PART OF THIS POLICY.  
RATE(S) EFFECTIVE UP TO 8/08/22 -

STANDARD CLASS	DESCRIPTION OF WORK	BASE RATE*	INTERIM BILLING RATE*
8871-1	CLERICAL TELECOMMUTER EMPLOYEES--N.O.C.	.25	.23

IF THIS CLASSIFICATION CHANGE RESULTS IN INCREASED POLICY PREMIUM,  
YOU ARE ENTITLED, AS PROVIDED BY INSURANCE CODE SECTION 11753.1,  
TO REQUEST THAT THE CLASSIFICATION DECISION BE RECONSIDERED BY  
THE STATE COMPENSATION INSURANCE FUND. PLEASE CONTACT YOUR LOCAL  
DISTRICT OFFICE.

\*THE BASE RATE IS PROVIDED FOR YOUR INFORMATION. IT IS THE RATE  
WHICH STATE COMPENSATION INSURANCE FUND HAS FILED WITH THE  
DEPARTMENT OF INSURANCE. THE INTERIM BILLING RATE WILL BE USED  
ON PAYROLL REPORTS. IT TAKES INTO ACCOUNT RATING PLAN CREDITS  
(OR DEBITS) WHICH WILL APPLY AT FINAL BILLING.

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE  
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS  
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE  
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR  
LIMITATIONS OF THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO:

AUGUST 11, 2021

9961  
City Council Meeting  
January 17, 2023

*Kent R. Van Lan*  
AUTHORIZED REPRESENTATIVE

*Vernon Steiner*  
PRESIDENT AND CEO

9108273-21

Dear Policyholder:

These endorsements amend and are part of your policy.  
Please keep them with your documents for future reference.

If you have any questions concerning these endorsements,  
Please contact your local State Fund office.

**BROKER COPY**



# POLICYHOLDER NOTICE

## YOUR RIGHT TO RATING AND DIVIDEND INFORMATION PN 04 99 01H (Ed. 05-20)

POLICY NO. 9108273-21  
NR SC

MANHATTAN BEACH CHAMBER OF COMME  
425 15TH ST  
MANHATTAN BEACH, CALIF 90266

### I. Information Available to You

#### A. Information Available from Us - State Compensation Insurance Fund

(1) General questions regarding your policy should be directed to:

**State Fund, Small Commercial Service Center**  
**1020 Vaquero Circle**  
**Vacaville, CA 95688**  
**Telephone: 888-782-8338**  
**Website: www.statefundca.com**

(2) **Dividend Calculation.** If this is a participating policy (a policy on which a dividend may be paid), upon payment or non-payment of a dividend, we shall provide a written explanation to you that sets forth the basis of the dividend calculation. The explanation will be in clear, understandable language and will express the dividend as a dollar amount and as a percentage of the earned premium for the policy year on which the dividend is calculated.

Pursuant to California Code of Regulations, Title 10 CCR 2503 (b), under California Law it is unlawful for an insurer [us] to promise the future payment of dividends under an unexpired workers' compensation policy or to misrepresent the conditions for dividend payment. Dividends are payable only pursuant to conditions determined by the [our] Board of Directors or other governing board [of the Company] following policy expiration. Forfeiture of a right to, reduction in the amount of, or delay in the payment of a policyholder's dividend due to the policyholder's failure to accept renewal of the policy or subsequent policies issued by the same insurer is illegal and constitutes an unfair practice.

(3) **Claims Information.** Pursuant to Sections 3761 and 3762 of the California Labor Code, you are entitled to receive information in our claim files that affects your premium. Copies of documents will be supplied at your expense during reasonable business hours.

For claims covered under this policy, we will estimate the ultimate cost of unsettled claims for statistical purposes eighteen months after the policy becomes effective and will report those estimates to the Workers' Compensation Insurance Rating Bureau of California (WCIRB) no later than twenty months after the policy becomes effective. The cost of any settled claims will also be reported at that time. At twelve-month intervals thereafter, we will update and report to the WCIRB the estimated cost of any unsettled claims and the actual final cost of any claims settled in the interim. The amounts we report will be used by the WCIRB to compute your experience modification if you are eligible for experience rating.

#### B. Information Available from the Workers' Compensation Insurance Rating Bureau of California

(1) The WCIRB is a licensed rating organization and the California Insurance Commissioner's designated statistical agent. As such, the WCIRB is responsible for administering the *California Workers' Compensation Uniform Statistical Reporting Plan--1995*(USRP) and the *California Workers' Compensation Experience Rating Plan--1995*(ERP). WCIRB contact information is: WCIRB, 1221 Broadway, Suite 900, Oakland, CA 94612, Attn: Customer Service; 888-229-2472 (phone); 415-778-7272 (fax); and customerservice@wcirb.com (email). The regulations contained in the USRP and the ERP are available for public viewing through the WCIRB's website at wcirb.com.

POLICYHOLDER NOTICE  
Your Right to Rating and Dividend Information

POLICY NO. 9108273-21  
NR SC

- (2) **Policyholder Information.** Pursuant to California Insurance Code (CIC) Section 11752.6, upon written request, you are entitled to information relating to loss experience, claims, classification assignments, and policy contracts as well as rating plans, rating systems, manual rules, or other information impacting your premium that is maintained in the records of the WCIRB. Complaints and Requests for Action requesting policyholder information should be forwarded to: WCIRB, 1221 Broadway, Suite 900, Oakland, CA 94612, Attn: Custodian of Records. The Custodian of Records can be reached at 415-777-0777 (phone) and 415-778-7272 (fax).
- (3) **Experience Rating Form.** Each experience rated risk may receive a single copy of its current Experience Rating Form/Worksheet free of charge by completing a Policyholder Experience Rating Worksheet Request Form on the WCIRB's website at [wcirb.com/ratesheet](http://wcirb.com/ratesheet). The Experience Rating Form/Worksheet will include a Loss-Free Rating, which is the experience modification that would have been calculated if \$0 (zero) actual losses were incurred during the experience period. This hypothetical rating calculation is provided for informational purposes only.

## II. Dispute Process

You may dispute our actions or the actions of the WCIRB pursuant to CIC Sections 11737 and 11753.1.

- A. Our Dispute Resolution Process.** You may request in writing that we reconsider a change in a classification assignment that results in an increased premium. You may also request, in writing, that we review the manner in which our rating system has been applied in connection with the insurance afforded or offered you. Written requests that we reconsider or review our actions should be forwarded to: State Compensation Insurance Fund, Attention: Manager, Customer Assistance Program, 5880 Owens Drive, Pleasanton, CA 94588 or call us at 925-460-6530 or fax us at 925-460-6633.
- B. Disputing the Actions of the WCIRB.** If you have been aggrieved by any decision, action, or omission to act of the WCIRB, you may request, in writing, that the WCIRB reconsider its decision, action, or omission to act. You may also request, in writing, that the WCIRB review the manner in which its rating system has been applied in connection with the insurance afforded or offered you. For requests related to classification disputes, the reporting of experience, or coverage issues, your initial request for review must be received by the WCIRB within 12 months after the expiration date of the policy to which the request for review pertains, except if the request involves the application of the Revision of Losses rule. For requests related to your experience modification, your initial request for review must be received by the WCIRB within 6 months after the issuance, or 12 months after the expiration date, of the experience modification to which the request for review pertains, whichever is later, except if the request for review involves the application of the Revision of Losses rule. If the request involves the Revision of Losses rule, the time to state your appeal may be longer. (See Section VI, Rule 7 of the ERP).

You may commence the review process by sending the WCIRB a written Inquiry. Written Inquiries should be sent to: WCIRB, 1221 Broadway, Suite 900, Oakland, CA 94612, Attn: Customer Service. Customer Service can be reached at 888-229-2472 (phone), 415-778-7272 (fax) and [customerservice@wcirb.com](mailto:customerservice@wcirb.com) (email).

If you are dissatisfied with the WCIRB's decision upon an Inquiry, or if the WCIRB fails to respond within 90 days after receipt of the Inquiry, you may pursue the subject of the Inquiry by sending the WCIRB a written Complaint and Request for Action. After you send your Complaint and Request for Action, the WCIRB has 30 days to send you written notice indicating whether or not your written request will be reviewed.

If the WCIRB agrees to review your request, it must conduct the review and issue a decision granting or rejecting your request within 60 days after sending you the written notice granting review. If the WCIRB declines to review your request, if you are dissatisfied with the decision upon review, or if the WCIRB fails to grant or reject your request or issue a decision upon review, you may appeal to the Insurance Commissioner

**POLICYHOLDER NOTICE**  
**Your Right to Rating and Dividend Information**

**POLICY NO. 9108273-21**  
**NR SC**

as described in paragraph II.C., below. Written Complaints and Requests for Action should be forwarded to: WCIRB, 1221 Broadway, Suite 900, Oakland, CA 94612, Attn: Complaints and Reconsiderations. The WCIRB's contact information is 888-229-2472 (phone), 415-371-5204 (fax) and customerservice@wcirb.com (email).

- C. California Department of Insurance - Appeals to the Insurance Commissioner.** After you follow the appropriate dispute resolution process described above, if (1) we or the WCIRB decline to review your request, (2) you are dissatisfied with the decision upon review, or (3) we or the WCIRB fail to grant or reject your request or issue a decision upon review, you may appeal to the Insurance Commissioner pursuant to CIC Sections 11737, 11752.6, 11753.1 and Title 10, California Code of Regulations, Section 2509.40 et seq. You must file your appeal within 30 days after we or the WCIRB send you the notice rejecting review of your Complaint and Request for Action or the decision upon your Complaint and Request for Action. If no written decision regarding your Complaint and Request for Action is sent, your appeal must be filed within 120 days after you sent your Complaint and Request for Action to us or to the WCIRB. The filing address for all appeals to the Insurance Commissioner is:

Administrative Hearing Bureau  
 California Department of Insurance  
 1901 Harrison Street, 3rd Floor  
 Oakland, California 94612  
 415-538-4243

You have the right to a hearing before the Insurance Commissioner, and our action, or the action of the WCIRB, may be affirmed, modified or reversed.

**III. Resources Available to You in Obtaining Information and Pursuing Disputes**

- A. Policyholder Ombudsman.** Pursuant to California Insurance Code Section 11752.6, a policyholder ombudsman is available at the WCIRB to assist you in obtaining and evaluating the rating, policy, and claims information referenced in I.A. and I.B., above. The ombudsman may advise you on any dispute with us, the WCIRB, or on an appeal to the Insurance Commissioner pursuant to Section 11737 of the Insurance Code. The address of the policyholder ombudsman is WCIRB, 1221 Broadway, Suite 900, Oakland, CA 94612, Attn: Policyholder Ombudsman. The policyholder ombudsman can be reached at 415-778-7159 (phone), 415-371-5288 (fax) and ombudsman@wcirb.com (email).
- B. California Department of Insurance - Information and Assistance.** Information and assistance on policy questions can be obtained from the Department of Insurance Consumer HOTLINE, 800-927-HELP (4357) or insurance.ca.gov. For questions and correspondence regarding appeals to the Administrative Hearing Bureau, see the contact information in paragraph II.C.

This notice does not change the policy to which it is attached.





**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**FROM:**

Bruce Moe, City Manager

**SUBJECT:**

- a. Second Reading and Adoption of Ordinance No. 23-0002:  
An Ordinance of the City of Manhattan Beach Amending Title 1 (General Provisions) of the Manhattan Beach Municipal Code to add Chapter 1.14 Regarding Rehearings
- b. Adoption of Urgency Ordinance No. 23-0003-U:  
An Urgency Ordinance of The City of Manhattan Beach Amending Title 1 (General Provisions) of the Manhattan Beach Municipal Code to add Chapter 1.14 Regarding Rehearings and Declaring the Urgency Thereof
- c. Making a Determination of Exemption under the California Environmental Quality Act (City Manager Moe).

**ADOPT ORDINANCE NOS. 23-0002 AND 23-0003-U**

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**RECOMMENDATION:**

Staff recommends that the City Council adopt Ordinance Nos. 23-0002 and 23-0003-U.

**BACKGROUND:**

On January 9, 2023, the City Council introduced Ordinance No. 23-0002, an Ordinance of the City of Manhattan Beach Amending Title 1 (General Provisions) of the Manhattan Beach Municipal Code To Add Chapter 1.14 Regarding Rehearings. The codified provisions in the Urgency Ordinance are identical to the codified provisions in both Ordinance No. 23-0002 and Urgency Ordinance No. 23-0002-U.

**ATTACHMENTS:**

- 1. Ordinance No. 23-0002
- 2. Urgency Ordinance No. 23-0003-U

ORDINANCE NO. 23-0003-U

AN URGENCY ORDINANCE OF THE CITY OF MANHATTAN BEACH AMENDING TITLE 1 (GENERAL PROVISIONS) OF THE MANHATTAN BEACH MUNICIPAL CODE TO ADD CHAPTER 1.14 REGARDING REHEARINGS AND DECLARING THE URGENCY THEREOF

THE MANHATTAN BEACH CITY COUNCIL HEREBY ORDAINS AS FOLLOWS:

**Section 1.** The City Council hereby amends Title 1 (“General Provisions”) of the Manhattan Beach Municipal Code by adding Chapter 1.14 to read as follows:

**“1-14 - REHEARINGS**

**1.14.010 - Rehearings on Certain Housing Projects.**

Notwithstanding any other provision of the Municipal Code or City’s Local Coastal Program, the City Council has complete authority to rehear or consider again any action taken on an application for a housing development project, as defined in Section 65589.5 of the Government Code, or any amendment thereto, if both of the following circumstances apply:

- A. The application requires a precise development plan or site development permit; and
- B. The action is the subject of: threatened or pending litigation; or a notice of violation by the state Department of Housing and Community Development, other state agency, or federal government.

Any proceeding authorized under this section shall be conducted in the same manner and with the same public notice provided for the proceeding in which the decision was initially rendered.”

**Section 2.** On October 18, 2022, the City Council denied an application for a precise development plan and related entitlements for a housing development. Subsequently the applicant filed a lawsuit challenging the denial and the state Department of Housing and Community Development filed a notice of violation stating that the denial violated state housing laws. The notice states that if the City does not reconsider the Project, the state “may move forward with any of the actions authorized by California Government Code section 65585, subdivision (j), including, but not limited to, referral to the California Office of the Attorney General.” Based upon the foregoing facts, the City Council finds and determines that it is necessary to adopt this Ordinance on an urgency basis for the immediate preservation of the public peace, health or safety. For these reasons, the public peace, health, safety and welfare require that this

Ordinance take effect immediately. This is an urgency ordinance within the meaning of Government Code Section 36937(b) and shall take effect immediately.

**Section 3.** The City Council hereby finds that it can be seen with certainty that there is no possibility that the adoption of this Ordinance will have a significant effect on the environment. It is therefore exempt from California Environmental Quality Act review pursuant to Section 15061(b)(3) of the CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 *et seq.*).

ADOPTED January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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STEVE NAPOLITANO  
Mayor

ATTEST:

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LIZA TAMURA  
City Clerk

APPROVED AS TO FORM:

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QUINN M. BARROW  
City Attorney

ORDINANCE NO. 23-0002

AN ORDINANCE OF THE CITY OF MANHATTAN BEACH  
AMENDING TITLE 1 (GENERAL PROVISIONS) OF THE  
MANHATTAN BEACH MUNICIPAL CODE TO ADD  
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ADOPTED January \_\_\_\_\_, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

STEVE NAPOLITANO  
Mayor

ATTEST:

---

LIZA TAMURA  
City Clerk

APPROVED AS TO FORM:

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QUINN M. BARROW  
City Attorney





**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

---

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Director  
George Gabriel, Assistant to the City Manager

**SUBJECT:**

Consideration of a Resolution Declaring an Intention to Provide for Annual Levy and Collection of Assessments for the North Manhattan Beach Business Improvement District and Setting February 21, 2023, for a Public Hearing (Finance Director Charelian).

**ADOPT RESOLUTION NO. 23-0011**

---

**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 23-0011 announcing the City's intention to renew and set assessments for the North Manhattan Beach Business Improvement District (North MB BID) for 2023, and set the public hearing for February 21, 2023.

**FISCAL IMPLICATION:**

There is no budgetary or other financial implication associated with the adoption of the Resolution of Intention. At the current rate, the assessment levied collects approximately \$25,000 per year. Prior to the pandemic, assessments collected were approximately \$28,000 per year.

**BACKGROUND:**

From 1969 to 2004, a North MB BID existed (then called North End BID) for commercial properties located along the northern portion of Highland Avenue and a few businesses located along Rosecrans Avenue just east of Highland. This Business Improvement District, formed under the Parking and Business Improvement District Law of 1965, was fairly limited in scope and was used mainly to address parking acquisition and construction.

In December 2004, City Council approved revamping the North MB BID because it was apparent that opportunities for increased parking were limited. Business owners in this area

were interested in using the accumulated funds (then totaling around \$300,000) for promotional purposes and to create an identity for North Manhattan Beach. As a result, this BID was dissolved to form a new BID pursuant to the Parking and Business Improvement Area Law of 1989 (Streets and Highway Code Section 36500), which permits funds to be used for broad purposes such as marketing, promotions, capital improvements, and special events. Districts and the associated assessments were also required to be renewed annually.

On February 21, 2023, the City Council will hold a public hearing to consider the request from the North MB BID's Advisory Board to renew the district and levy the associated assessments calculated as an 80% surcharge on business license fees to a maximum of \$500.

**DISCUSSION:**

The purpose of the Resolution is to announce the City's intention to renew the BID, establish the method of assessment, outline the activities and services to be funded by the assessment, and to set the date for a formal public hearing. The funding for the BID is established through an 80% surcharge on the business license tax, not-to-exceed \$500 for any individual business.

On January 4, 2023, the BID's Advisory Board met to discuss the proposed projects and activity plan, along with the associated budget for the coming year. At that time, the Advisory Board discussed the activity plan (Attachment), revised bylaws (Attachment) reviewed the budgetary material. Thereafter, a special meeting to continue discussing the attachments was scheduled. The BID Advisory Board approved the activity plan, budget and revised bylaws. The BID now requests that the City Council consider adopting the Resolution of Intention (Attachment).

The BID has used its funds in recent years to beautify and upkeep the area. These activities include all of the following: maintaining curb extensions with landscaping and irrigation at certain intersections, installing directories with area maps, enhanced crosswalk treatments, power washing of sidewalks, purchase of branding signs, planting of sidewalk trees, and the installation of an entry monument on Rosecrans Avenue. The BID also provides community events during the year such as the winter Holiday Stroll. The BID currently has reserves of approximately \$420,300.

The BID has elected an Advisory Board for 2023 which will be presented for Council ratification at the February 21, 2023, City Council meeting. The full roster of board members-elect, applicable titles and business representations are as follows (*in alphabetical order*):

- Abbot Lawrence IV - Pancho's
- Harry Ashikian\* - Salvatore's Shoe Repair
- Jessica Jordan - Fishbar
- Justin Maxwell - North End Caffe
- Lorenzo Pitera\* (Vice Chairperson) - Baja Sharkeez
- Mike Simms (Chairperson) - Nick and Son's Market
- Roxanne Faire\* (Secretary) - Aesthetics on Highland

Councilmember Franklin currently serves as the BID's City Council representative with Councilmember Montgomery as the alternate.



If adopted by the City Council, this Resolution of Intention will be circulated to all business owners within the BID as notification of the public hearing on February 21, 2023. In addition, a notice advertising the public hearing will be placed in *The Beach Reporter*. At the public hearing, all proponents and opponents of the proposed Business Improvement District will have an opportunity to present information to the City Council.

**CONCLUSION:**

The North Manhattan Beach Business Improvement District Advisory Board and City staff recommends that the City Council adopt Resolution No. 23-0011 announcing the City's intention to renew and to set assessments for the North Manhattan Beach Business Improvement District for 2023, and setting the public hearing for February 21, 2023.

**ATTACHMENTS:**

1. Resolution No. 23-0011
2. 2023 Annual Budget and Activity Plan
3. Revised North MB BID Bylaws

RESOLUTION NO. 23-0011

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL DECLARING ITS INTENTION TO PROVIDE FOR ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT, PURSUANT TO CALIFORNIA STREETS & HIGHWAYS CODE SECTION 36500, AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON

WHEREAS, the Manhattan Beach City Council formed a Parking and Business Improvement District in North Manhattan Beach, pursuant to California Streets and Highways Code Section 36500 *et. seq.*;

WHEREAS, the North Manhattan Beach Business Improvement District Advisory Board met on January 4, 2023 and January 10, 2023, and supported the proposed operating program and budget of the North Manhattan Beach Business Improvement District for 2023; and

WHEREAS, the City Council desires to continue the assessment on businesses within the Parking & Business Improvement District to allow the business owners within the District to utilize the funds for a range of services and activities that will promote and enhance North Manhattan Beach.

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Parking and Business Improvement District is known as the North Manhattan Beach Business Improvement District (hereinafter referred to as the "District").

SECTION 3. The District's physical boundaries include all operating businesses along Highland Avenue from 45th Street to the North and to 32nd Place to the South and along Rosecrans Avenue from Highland Avenue to the West to the 500 block of Rosecrans Avenue to the East. A map identifying the specific, legal boundary for the District is available for review in the Finance Director's Office.

SECTION 4. All businesses, with the exception of home-based businesses, commercial property owners who lease to licensed businesses, and residential rental units, within the boundaries of said District, as described herein, are subject to the provisions of the additional assessment which will be levied annually to pay for all improvements and activities within the District.

SECTION 5. The assessment methodology for funding the services and activities of the District shall be a surcharge of 80% on the business license tax, not to exceed \$500.00 per business license.

SECTION 6. The funds generated by the business license surcharge shall be used for the following purposes:

- Parking and Transportation
- Marketing and Promotions
- Special Events
- Capital Improvements
- Management Services

SECTION 7. The City Council will convene a public hearing regarding the levying of assessments by the District on February 21, 2023, at 6:00 p.m., City Council Chambers, 1400 Highland Avenue, Manhattan Beach, to consider testimony of all interested parties for or against the levying of assessments by the District, the extent of the District, and the activities and services which shall be provided through the District.

SECTION 8. This Resolution shall be provided to each business owner within the District seven days of the date of adoption by the City Council.

SECTION 9. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED January 17, 2023.

- Ayes:
- Noes:
- Absent:
- Abstain:

---

STEVE NAPOLITANO  
Mayor

ATTEST:

---

LIZA TAMURA  
City Clerk

**NORTH MANHATTAN BEACH  
BUSINESSIMPROVEMENTDISTRICT  
(NORTH MB BID)**



**2023 Annual Report,  
Budget and Activity Plan**

**Location:** The general area surrounding the Rosecrans Avenue and Highland Avenue intersection (See Attachment A). Specific boundaries are:

- (North to South) the extent of the Highland Avenue Right-Of-Way from the northernmost City line at 45<sup>th</sup> Street to 32<sup>nd</sup> Place on the south.
- (East to West) the extent of Rosecrans Avenue Right-Of-Way from Bell Avenue to the west side of Highland Avenue.

**Stakeholders:** North Manhattan Beach Businesses – All business license holders in the North Manhattan Beach area, with the exception of home-based businesses, residential rental units, commercial property owners and residents.

**Improvements and Activities:**

- A. Capital Improvement Project Design
- B. Marketing, Social Media & Advertising
- C. Project Implementation
- D. Professional Communications

**Method of Financing:** Benefit-based assessments on City Business License Tax.

**Assessment:** An 80% surcharge on the City Business License Tax not to exceed \$500.00.

**Collection:** The fees are collected in March/April of each year with the Business License Tax. The funds shall be retained, including interest earned, in a designated fund and disbursed through the City. Approximately \$25,000 per year.

**Governance:** A City Council-ratified Advisory Board serves to make recommendations to the City Council for the North Manhattan Business Improvement District (BID) on such topics as budget and assessments. The Advisory Board consists of up to seven (7) members composed of area business owners or resident ex-officio members. There must be a quorum to conduct a meeting and adherence to the Brown Act. The City Council ratifies the board members annually once the membership has held its election (typically in December). It is anticipated that the Advisory Board will meet at least once per month, on the 2<sup>nd</sup> Wednesday at 6:00 PM. In delivering BID improvements and activities, the Advisory Board will strive to meet the following

objectives:

- Maximize coordination with the City and other civic organizations to leverage resources.
- Identify streetscape, landscape and other improvements, and create an identity plan for North Manhattan Beach.
- Provide accountability to business owners who pay assessments.

Maintaining the District:

The City Council maintains the district by adopting a Resolution of Intention. A Public Hearing shall be held around 30 days after the adoption of the Resolution of Intention. If there is insufficient protest from owners representing over 50% of the assessments to be paid, the BID assessment will continue.

Benefits of the District:

The BID allows for streetscape, signage and landscape improvements, and the creation of a North Manhattan Beach identity through integrated marketing efforts such as promotions, branding and advertising.

The BID shall provide key promotional and organizational support through a variety of functions that directly benefit its ratepayers as well as the City; such as:

- Enhancing the appearance of North Manhattan Beach through signage, landscaping, improvements etc.
- Establishing and implementing a North Manhattan vision and image that is in line with the rest of Manhattan Beach and reflects the good health and economic vitality of the entire City; making the City an attractive venue for business.

## ACTIVITY PLAN

The BID activity plan for 2023 includes the following items:

- A. Continue using [www.northmanhattanbeach.org](http://www.northmanhattanbeach.org) and [www.visitnorthmanhattanbeach.com](http://www.visitnorthmanhattanbeach.com) for visitor and community outreach and marketing. Maintain and enhance the digital presence of the North Manhattan Beach district through public engagement (surveys, individual outreach), website, social media (Instagram @visitnorthmanhattanbeach @northmanhattanbeach, Facebook @northmanhattanbeachca @visitnorthmanhattanbeach, twitter @VisitNorthMB) and e-notifications.
- B. Trademark and begin to utilize approved North Manhattan Beach Logo.
- C. Explore the feasibility of becoming a professional non-profit association similar to the Downtown Manhattan Beach Business Professional Association (DBPA).
- D. Solicit professional services to manage and administer Advisory Board priorities and responsibilities identified in the Activity Plan including contracting for Executive Coordinator and Social Media Coordinator positions.
- E. Continue to develop North Manhattan Beach branding using the new approved logo throughout the district (Pole flags with approval and permits from the City, refurbish the North Manhattan Beach welcome monument on Rosecrans utilizing the new color scheme and logo).
- F. Solicit Bids for Public Art and work with the City Public Arts Commission for installation and placement.
- G. Continue to develop event and partnership opportunities to draw more foot traffic and awareness to North Manhattan Beach.
- H. Continue to establish participation and support for the NMB BID among NMB businesses.
- I. Continue to grow the annual NMB BID Holiday Stroll and establish additional collaborative events.
- J. Collaborate with Manhattan Beach's Environmental Sustainability Division, Traffic Engineer, Community Development Department and Public Works Department to implement programs for alternative e-transportation. This program will promote electric alternatives and draw much needed foot traffic to our NMB BID Businesses.

an agreed upon evening when businesses would benefit from additional patrons in the BID. We will confer with BID businesses to select a preferred evening. This program may include:

- i. Safe e-bike, electric scooter, etc. parking
  - ii. A number (quantity to be determined by City) of parking spaces to convert to golf cart only parking during designated times
  - iii. Consideration of golf cart only parking spaces in the BID (Preferably in locations not already allocated for parking)
  - iv. Review of opportunities for additional bike & e-bike parking in the BID.
- K. Continue to work with Public Works on the implementation of string lights on NMB BID light poles owned by the City throughout the BID (Highland Ave. from 32nd-45th Streets and on north side of Rosecrans up to Veranda's and the south side of Rosecrans just past El Tarasco.) This program will not only create a beautiful evening ambiance lighting up the NMB BID boundaries, but it will also provide inviting lighting and a welcoming feeling to our evening customers.
- L. Update the community on the status of the crosswalks and other street markings and street repairs north of Rosecrans after the construction done in this area. Collaborate with the City on the replacement of the crosswalks and intersection design at the intersection of Rosecrans & Highland also affected by the construction in the area. Continue to work on the functionality of the lighting of the crosswalks south of Rosecrans.
- M. Continue the Highland Avenue improvement discussions with Community Development, Traffic Engineering and Public Works to find solutions to improve the safety of Highland Ave. especially north of Rosecrans where there are not enough crosswalks, they need to more visual indicators and implement solutions to reduce the excessive speed in the area.
- N. Continue discussions to find additional parking solutions. Establish contact with Chevron to discuss the Chevron parking in this area.
- O. Continue collaborating with the Downtown Business District and the Manhattan Beach Chamber of Commerce to best serve our NMB BID Businesses.



## North Manhattan Beach Business Improvement District Reserves

<b>FY 2021-2022 Actuals</b>	
Beginning Reserve Balance July 1, 2021	\$420,300.41
Revenues	35,039.39
Interest	4,816.05
Expenditures	(69,288.93)
Ending Reserve Balance as of June 30, 2022	<u>\$390,866.92</u>
<b>FY 2022-2023 Budget</b>	
Beginning Reserve Balance July 1, 2022	\$390,866.92
Budgeted Revenues (1)	25,000.00
Estimated Interest	5,000.00
Projected Ending Reserve Balance as of June 30, 2023 (2)	<u>\$420,866.92</u>

*(1) Budgeted Revenues are projected based on business license tax assessments not to exceed \$500 annually per business.*

*(2) The Projected Ending Reserve Balance is based on actual reserves at the beginning of the fiscal year adjusted for projected revenues with no estimated expenditures*

<b>Notable Annual Expenditures</b>	
<b>FY 2022-2023 Budget</b>	
<b>Estimated Expenditures</b>	<b>Amount</b>
Executive Coordinator Services	\$ 31,200
Social Media Coordinator Services	\$ 18,000.00
Holiday Stroll Expenses	\$ 12,000.00
<b>TOTAL</b>	<b>\$ 61,200.00</b>

AREA MAP

# City of Manhattan Beach North Manhattan Beach Business Improvement District





# **BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

## **ARTICLE 1. GOVERNANCE AND SCOPE.**

On January 4, 2005, the City Council of the City of Manhattan Beach approved Ordinance No. 2071 to form the North End Manhattan Beach Business Improvement District ["North MB.BID"] pursuant to Parking and Business Improvement Area Law of 1989, being California Streets and Highways Code Sections 53500 through 53551, as amended from time to time (the "Act").

Section 36530 of the Act provides that the City Council shall appoint an advisory board which shall make a recommendation to the City Council on the expenditure of revenues derived from the levy of assessments, on the classification of business and the method and basis of levying assessments. Section 36533 of the Act provides that the advisory board shall cause to be prepared a report for each fiscal year for which assessments are to be levied and collect to pay the costs of the improvements and activities described in the report.

By its minute motion on December 21, 2004, the City Council appointed the advisory Board pursuant to Section 36530 (the "Advisory Board"). These Bylaws provide the rules and regulations that govern the operation and management of the Advisory Board.

## **ARTICLE 2. MISSION STATEMENT.**

The Advisory Board serves at the pleasure of the City Council and is advisory only. The Advisory Board shall make recommendations to the City Council on the expenditure of revenues from the North MB BID assessments, pursuant to Ordinance No. 2017, for services and improvements that directly and principally benefit its business members, namely:

- Parking & Transportation;
- Marketing and Promotions;
- Special Events;
- Capital Improvements; and
- Management Services.

## **ARTICLE 3. ADVISORY BOARD.**

### **3.1 Advisory Board.**



## **BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

The City Council appointed a seven member Advisory Board on December 21, 2004.

### **3.2 Officers.**

The Advisory Board shall have a chairperson, vice-chairperson and recording secretary, elected biennially by BID members. [Article 4, Advisory Board Election] The chair or vice-chair may serve as recording secretary. One person shall not serve as chair and vice-chair.

**The Chairperson** shall exercise overall responsibility for the Advisory Board.

Specific responsibilities include, but are not limited to:

- 1) Conducting and maintaining meeting decorum consistent with the Manhattan Beach Civility Policy (Appendix A);
- 2) Preparing agendas;
- 3) Interfacing with city-council delegate/alternate, finance department and other city staff;
- 4) Testifying to the City Council.

**The Vice-Chair** shall serve as chair, in event of the chairperson or secretary being temporarily absent or otherwise unavailable, as result of resignation, removal, incapacitation or other reasons.

**The Recording-Secretary** shall prepare the official record of the Advisory Board meetings. Specific responsibilities include, but are not limited to: 1) Providing notice of all meetings in accordance with the Brown Act; 2) Prepare meeting minutes for Advisory Board approval; and 3) Amend them per Advisory Board direction; and, 4) Maintain the records of the Advisory Board. In the event that the secretary is unable to carry out these duties, such responsibilities will be designated to the following positions in this order: 1) Contracted management services (i.e. Executive Coordinator), 2) Vice Chair, 3) City Staff Liaison.

### **3.3. Term of Service and Vacancies.**

Officers shall serve for two years, January 1 to December 31, with no term limits. In case of vacancy, the board may appoint a qualified person to fill the vacancy by unanimous vote, in an agendaized action at a noticed meeting. Vacancies may also remain until the next annual election, provided that the board has at least a quorum of members. An appointment anytime during the year after the Public Hearing requires ratification by the North MB BID City-Council delegate or alternate.

### **3.4. Compensation.**



## **BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

Officers, Advisory Board members and North MB BID members shall not receive compensation in any form.

### **3.5. Conflict of Interest.**

Advisory board members shall abstain from participating in any matter that comes before them, for which, the business represented by that board member may have any direct or indirect economic interest, exclusive of the benefits that accrue to all BID members. If a conflict of interest may exist, the board member shall recuse himself or herself from discussion, consideration and voting.

### **3.6. Removal.**

Board members should attend all meetings, unless excused by the chairperson or vice-chair.

When a board-member fails to attend three meetings during a single calendar year, the Advisory Board may consider removal by majority vote, in an agendaized action at a noticed meeting.

## **ARTICLE 4. ADVISORY BOARD ELECTION.**

Every two years, the Advisory Board shall hold an election to fill up to seven seats on the board at the first meeting in December, prior to the City Council consideration of a resolution declaring an intention to provide for annual levy and collection of assessments.

### **4.1. Candidate Qualifications.**

No business member may nominate more than one candidate, including themselves for the Advisory Board.

No candidate may represent more than one business.

### **4.2. Election Schedule.**

60 days prior to the election, staff shall notify BID members of the election, by U.S. Mail and by email. The notification shall include, but not limited to: 1) Instructions and schedule for candidate filings; 2) Candidate qualification requirements; 3) Summary of current board; 4) City-staff liaison contact information; and 5) Election procedure, including that for officers.

Candidates must file a written application with the city-staff liaison or designee, no earlier than 45 days before the election and no later than 5:00 PM thirteen (13) days before the day of the election.

### **4.3. Applications.**



## **BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

Candidates shall file by any means with the city-staff liaison identified above, a written application in any format. In addition to a statement of intent to become an Advisory Board member for the North MB.BID, the application shall include: 1) Name; 2) Address, not necessarily in Manhattan Beach; 3) Phone number preferably cell; and 4) Email address. If representing a business, the application shall include a certified letter from said business owner authorizing the representation prior to election proceedings.

Applicants may include a statement not exceeding 200 words regarding their qualifications for membership on the board. Staff shall distribute these qualifications to North MB BID members at least 14 days before the election.

#### **4.4. Candidate Certification.**

Upon receiving applications, the city-staff liaison shall promptly review and verify that the filings comply with requirements above. If any discrepancies discovered in an application, staff shall immediately inform the applicant and facilitate corrections, if possible. For candidates representing a business, staff shall directly and independently verify with the business that they authorize the candidate representation.

#### **4.5 Advisory Board Election Procedure.**

To commence the election agenda item, staff shall distribute election materials and ballots to the BID members and summarize the election process, including subsequent election of officers by the newly elected board.

After the staff testimony, the candidates may make a two-minute statement regarding their qualifications. Candidates need not attend the election and may designate another person to present their statement.

To vote, BID members or representative that has a certified letter from said BID member authorizing their representation, must attend the election meeting unless a significant unforeseen circumstance occurs and the City staff liaison is notified prior to the election. Each BID business present shall have only one ballot, regardless of how many attendees associated with the business present. The voting representative for the business shall not represent any other business. No other persons attending the election may vote.

Vote counting shall occur at a public meeting of the Advisory Board. The results shall identify the winning candidates, but not their relative standings or vote totals. Staff shall file all voting records and ballots with the City Clerk.



## **BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

### **Voting Ties and More than Two Use Classifications Elected.**

In the case of a tie for the seventh seat, immediately after the election, BID members shall vote on a runoff between only the two tied candidates. In the event of another tie, the staff liaison shall resolve the tie with a coin toss.

### **4.6. Election of Officers.**

Immediately after the general election, the newly-elected Advisory Board shall elect officers. Any North MB BID business that is subject to the assessment and in attendance at the meeting may nominate one member of the newly-elected Advisory Board for any of the three offices. Newly-elected board members may nominate themselves. To qualify, each nominee must orally accept their nomination. All newly-elected board members may vote for one nominated individual per office. The candidate receiving the most votes wins the office, even if a plurality, rather than a majority. In event of a tie, a coin toss shall resolve the tie.

### **4.7. Swearing in of Officers.**

Officers shall not take office, until their election ratified by the City Council. As an exception, newly-elected board members may vote for officers, per Section 4.6 above, before the city council ratifies the election. If the council does not ratify the election, then the eventual Advisory Board must conduct another election of officers.

## **ARTICLE 5. ADVISORY BOARD MEETINGS, AGENDAS AND MINUTES.**

### **5.1. Regular Meetings.**

The Advisory Board should meet once every month, at a time, date, and location determined by a majority of the Board. The meeting can occur at a facility within the boundaries of the North End area, having adequate seating capacity and provide free parking available for the public. Alternatively, the Advisory Board may meet at a City facility, including City Hall. Socially distant meeting can be held via software designated by the North MB BID if allowed by the Brown Act.

For Advisory Board meetings, the recording secretary or designee shall notice North MB BID members, the staff liaison and the city-council delegate/alternate by email, no earlier than two weeks before the meeting and no later than four days before the



## **BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

meeting. The noticing email shall include the agenda in the body of the email. Section 4.2 requires different noticing for elections.

Prior to the date, all advisory-board meetings shall have a posting on the city website calendar. Notices to board members, the city liaison and the city-council delegate/alternate shall include as attachments, all documents submitted for consideration at the meeting.

If after the one-week deadline above, BID members or the public submit documents to the Advisory Board, the recording secretary shall also enter those materials into the public record.

### **5.2. Regular Meeting Procedures.**

Because the North MB BID constitutes a city entity, it shall comply with the Ralph M. Brown Act (being California Government Code Sections 54950 through 54963, as amended from time to time) when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (being California Government Code Sections 6250 through 6276.48) for all records relating to activities of the district.

The chairperson shall conduct the meeting pursuant to *Roberts Rules of Order*. Specifically, all attendees may address every agenda item for three minutes. The chair has discretion to award additional time for testimony by individual attendees.

### **Meeting Minutes.**

The Recording-Secretary or designee (per Article 3.2) shall:

- 1) Within one week of the meeting, distribute draft minutes for review by the Executive Coordinator or city-staff liaison,
- 2) Amend the minutes per direction by the Board at a noticed public hearing; and,
- 3) Through the city clerk office, enter the approved minutes into the public record. No other person may amend the minutes or direct amendment of the minutes.

### **5.3. Special Meetings.**

The chairperson may schedule special meetings of the Advisory Board. These special meetings shall comply with procedural requirements for regular meetings above, except that: 1) Noticing shall occur no later than five days before the meeting; and, 2) After the meeting, the recording secretary shall enter into the public record all documents considered by the board.

### **Quorum.**





## **BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD**

A majority of the board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. For example if there are 7 advisory board members then 4 advisory board members would create a quorum. Action may be taken by the Advisory Board upon a vote of a majority of a quorum, unless a higher vote is required by law.

### **5.4 Code of Conduct.**

All Members of the Advisory Board shall adhere to the City Policy regarding code of conduct and meeting decorum.

## **ARTICLE 6. ANNUAL REPORT**

### **6.1. Annual Report.**

Annually in January, the Advisory Board shall approve the annual report, no later than the first city-council meeting in February.

The annual report shall include the information required by the Act, and shall include:

1) Improvements and activities planned for the coming year; 2) Estimated costs of said items; 3) The financial balance sheet for the past year; and 4) Proposed amendments to the bylaws.

## **ARTICLE 7. CITYSTAFF LIAISON PARTICIPATION.**

The Advisory Board shall request the City Manager to designate a City staff person to assist the Advisory Board with its notices for public meetings and the conduct of its elections. In the event that the City does not provide staff for the Advisory Board, the Advisory Board shall vote appoint one or more members of the North MB BID to provide such services. In the case of the annual election, the appointed members cannot be nominated to serve on the Advisory Board. The City liaison may not be able to attend every monthly advisory board meeting. The monthly meetings will be lead and run by the North MB BID chairperson.

## **ARTICLE 8. BYLAWS AMENDMENT.**

The Advisory Board may modify these bylaws and shall submit to the City Council a copy of its current bylaws with the annual report.



**BYLAWS FOR THE NORTH MANHATTAN BEACH  
BUSINESS IMPROVEMENT DISTRICT  
ADVISORY BOARD**

**APPENDIX A**



Department Responsible: Management Services  
Date Created: 08/6/2019  
Approved By: City Council

SUBJECT: Manhattan Beach Civility Policy

PURPOSE: Promote mutual respect, civility, and orderly conduct among City employees, elected officials, and the public.

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**MANHATTAN BEACH CIVILITY POLICY  
(AMENDED AND RESTATED AUGUST 6, 2019)**

RECITALS

1. Manhattan Beach elected officials and employees will treat members of the public with respect and expect the same in return. The City is committed to maintaining orderly administrative processes in keeping City administrative offices free from disruptions. The City is committed to maintaining a safe, productive and harassment-free work environment for all of its City employees.

2. This policy promotes mutual respect, civility and orderly conduct among City employees, elected officials, and the public. This policy is not intended to deprive any person of his or her right to freedom of expression, but only to maintain, to the extent possible and reasonable, a safe, productive and harassment-free workplace for City staff and a safe and non-threatening environment for visitors and customers. The City encourages professional, respectful, and courteous communication and discourages hostile, intimidating, or otherwise disruptive actions. The City seeks public cooperation with this endeavor.

**PROVISIONS:**

A. Rules of Civility

1. All interactions between City staff, City elected officials and members of the public will be conducted in a respectful manner.
2. Threats, including threats of violence, will not be tolerated.
3. Members of the public will refrain from any behavior that disrupts or threatens to disrupt City government operations, including any of the following:
  - a) Insulting, demeaning, intimidating, or offensive communications;
  - b) Harassment or intimidation of any City staff, City elected official, or member of the public;
  - c) Willful destruction of property damage;



## BYLAWS FOR THE NORTH MANHATTAN BEACH BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD

Page 2 of 2

Subject: Manhattan Beach Civility Policy

- d) Conduct that threatens to provoke a violent reaction; and
- e) A continuing pattern of disruptive behavior.

### B. Enforcement Protocols.

The City will take the following steps to promote compliance with this Civility Policy. The City reserves the right to take additional measures as necessary, including establishing a separate protocol for interactions between City staff and a member of the public.

#### 1. Official Warning

If a member of the public violates this Civility Policy, staff will issue an oral warning and provide that person with a copy of this policy before taking further action unless the behavior of the member of the public requires a more severe response. This warning, which should clearly identify both the offending behavior and potential consequences that will arise if such behavior persists, will provide the member of the public with an opportunity to improve his or her behavior before the City takes more serious action, such as removal from the premises.

#### 2. Suspension from the Government Building

If a member of the public does not improve his or her behavior in response to an official warning, the City will request the individual leave the premises for a short period of time). This temporary suspension from City property provides the member of the public with an opportunity to “cool down” and reflect on his or her treatment of City staff.

#### 3. Cease and Desist Letter

If a member of the public does not improve his or her behavior in response to an official warning or brief suspension, the City will respond by sending a “cease-and-desist” letter. The letter will identify both the prohibited conduct and the City’s potential remedies. A “cease-and-desist” letter will put the member of the public on notice of the potentially serious consequences of his or her conduct.

#### 4. Additional Measures

As noted above, nothing in this policy precludes additional action where warranted.





**CITY OF MANHATTAN BEACH**

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# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Director  
Mike Grafton, Equipment Maintenance Supervisor  
Mario Hernandez, Purchasing Supervisor

**SUBJECT:**

Consider Awarding Bid No. 1290-23 to McGovern Commercial for the Purchase of Seven Patrol Vehicles for the Police Department in the Amount of \$289,691 and Approving an Additional Appropriation of \$178,043 from the Fleet Management Fund (Finance Director Charelian).

**A) APPROVE**

**B) APPROPRIATE FUNDS**

---

**RECOMMENDATION:**

Staff recommends that the City Council:

- a) Award Bid No. 1290-23 to McGovern Commercial for the purchase of seven Ford Interceptor Utility patrol vehicles for the Police Department in the amount of \$289,691; and
- b) Appropriate an additional \$178,043 from the Fleet Management Fund.

**FISCAL IMPLICATIONS:**

The total cost for the purchasing and outfitting seven Ford Interceptor Utility patrol vehicles is \$289,691 and \$130,000 respectively. Funds totaling \$241,648 are budgeted in the Fiscal Year (FY) 2022-2023 Fleet Management Fund for the purchase and outfitting of these vehicles. To accommodate the cost of purchasing and outfitting additional vehicles, an appropriation of \$178,043 is required from the unreserved Fleet Management Fund balance.

**BACKGROUND:**

McGovern Commercial has seven Ford Interceptors in stock and will ship them within three weeks of receiving a purchase order from the City. Three Ford Interceptor Utility patrol vehicles

are budgeted for replacement during this current fiscal year (FY 2022-2023). In FY 2021-2022 a purchase order for one patrol vehicle was issued, but as the vendor has not been able to fulfill the order, the purchase will be canceled and be included as part of this order. With delays in vehicle production and continued chip shortages relating to the COVID-19 pandemic, staff intends to advance the purchase of three patrol vehicles currently scheduled for replacement in FY 2023-2024 in order to utilize the vendor's current stock rather than risk future delays to replacement.

Currently, it is commonplace for vehicle manufacturers to submit quotes for vehicles that have not been built yet, close vehicle ordering windows prematurely, and have lead times of over 12 months. With this low supply of vehicles, it is rare to find a dealer with one vehicle and City staff have managed to find seven available vehicles through one dealer. The City extended the search to the East Coast, which is where McGovern Commercial is headquartered. McGovern typically supplies vehicles to much larger municipalities and government agencies and as such is able to meet our needs of seven Ford Interceptors.

**DISCUSSION:**

This purchase is for seven replacement vehicles for the Police Department. The vehicles proposed to be replaced are over nine years old, with an average mileage of 100,000, and have reached the end of useful serviceability for the department's purposes. These vehicles are used by the patrol officers. The selection of the replacement vehicle has been approved by the using department and the City's Equipment Maintenance Supervisor.

The Request for Bids was posted on the City's website, as well as OpenGov, a public bid notification board. A total of two bid responses were received for this vehicle. The attached bid comparison lists the aggregate price, including sales tax, fees and payment discounts (the lowest bid is indicated in bold font).

Based on this bid, staff recommends that the City Council award Bid No. 1290-23 to the lowest responsive bidder, McGovern Commercial, for the purchase of seven Ford Interceptor Utility patrol vehicle in the amount of \$289,691. The new vehicles will arrive in approximately one month.

**PUBLIC OUTREACH:**

This bid was advertised on the City's website, as well as OpenGov, a public bid notification board.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENT:**

1. Bid No. 1290-23 Comparison for Patrol Vehicle



# Estimate

Date: 12/21/2022

Customer ID: ManhattanBeachPD

To: Manhattan Beach Police Department  
Attn: Mike Sweeney

Salesperson: Michael Chase  
508-280-6603

Qty	Item #	Description	Unit Price	Line Total
7.00	K8A	2022 Ford Police Interceptor Utility AWD White	\$ 34,702.00	\$ 242,914.00
7.00	43D	Dark Car Feature	\$ 24.25	\$ 169.75
7.00	51R	Driver Side Unity LED Spotlight	\$ 383.15	\$ 2,682.05
7.00	549	Power Heated Mirrors	\$ 58.20	\$ 407.40
7.00	76R	Reverse Sensing System	\$ 266.75	\$ 1,867.25
7.00	53M	SYNC Voice Activated System	\$ -	\$ -
7.00	86P	Front Headlamp Housing	\$ -	\$ -
7.00	87R	Rear View Camera Relocate to Mirror	\$ -	\$ -
7.00	18D	Rear Liftgate Lock Disable Delete	\$ -	\$ -
7.00	IOLN	Immediate Off Lot Need Stock	\$ 3,500.00	\$ 24,500.00
				\$ -
7.00	Transportation	Delivery to DPW	\$ 2,450.00	\$ 17,150.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -

**Special Instructions:**

Custom or Special Orders are Non-Refundable  
 This Estimate is for Budgetary Purposes and is Not a Guarantee of Cost for Services.  
 Estimate is Based on Current Information From Client About the Project Requirments  
 Actual Cost May Change Once Project Elements are Finalized

<b>Vehicle Subtotal</b>	\$248,040.45
<b>Upfit Subtotal</b>	\$41,650.00
<b>Grand Total</b>	\$289,690.45





**CITY OF MANHATTAN BEACH**

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# STAFF REPORT

**Agenda Date:** 1/17/2023

---

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Director  
Julie Bondarchuk, Financial Controller  
Libby Bretthauer, Financial Services Manager

**SUBJECT:**

Fiscal Year 2021-2022 Annual Comprehensive Financial Report (Finance Director Charelian).

**RECEIVE AND FILE**

---

**RECOMMENDATION:**

Staff recommends that the City Council receive and file this report.

**FISCAL IMPLICATIONS:**

There are no fiscal implications associated with the recommended action. The results of fiscal year (FY) 2021-2022 are summarized below, and are included in the attached Annual Comprehensive Financial Report (ACFR).

**BACKGROUND:**

The City's financial policies require an annual audit performed by an external auditor. An audit is also required to obtain the Certificate of Achievement for Excellence in Financial Reporting from the Government Financial Officers Association (GFOA) and is oftentimes a requirement for grants or federal awards. This year, the annual audit consists of the interim audit (completed in April 2022) and the final audit (completed in October 2022). During these audits, the external auditors prepare audit working papers in compliance with the General Accepted Government Auditing Standards (GAGAS). These working papers document the information gathered during an audit and provide evidence that sufficient information was obtained by the auditor to support the audit opinion.

The audit results and the FY 2021-2022 ACFR financial statements were presented and discussed with the Finance Subcommittee at the December 15, 2022, meeting.

The audit firm of Lance, Soll and Lunghard (LSL) issued the City an unmodified opinion on the FY 2021-2022 financial statements, which are prepared in all material respects and complying with governmental accounting practice. The opinion is issued once auditors obtain sufficient and appropriate audit evidence to the financial statements due to their testing. An unmodified opinion is the best possible outcome.

**DISCUSSION:**

Attached to this report is the City's ACFR for the fiscal year ended June 30, 2022. This independent audit report is prepared with the assistance of the City's auditor, Lance, Soll and Lunghard (LSL), the certified public accountancy firm selected by the City Council. Staff would like to take this opportunity to acknowledge the auditor's professionalism and diligence in the completion of the audit.

The attached report contains detailed information about the City's financial results for FY 2021-2022. The document, which is in an industry-standard format, is organized as follows:

Introductory Section

The Introductory Section includes the City's transmittal letter providing an executive summary of the financial and economic events characterizing FY 2021-2022. A review of the transmittal letter will help the reader understand the City's organizational structure and provides performance highlights of the City's most significant funds and operations.

Financial Section

The Financial Section presents the independent auditor's report and Financial Statements. The auditor's report contains two main sections: the Audit Opinion and the Management Discussion & Analysis (MD&A).

Audit Opinion

The Audit Opinion, worded in an industry standard format, provides a statement by the auditor attesting to the fair presentation of financial data in conformity with generally accepted accounting principles and government accounting standards.

Management Discussion & Analysis (MD&A)

The required MD&A is intended to serve as an introduction to the City's basic financial statements, which comprise three components: 1) Government-wide financial statements, 2) Fund Financial statements, and 3) notes to the financial statements, which is an overview and analysis of the financial activities of the City of Manhattan Beach for the fiscal year ended June 30, 2022.

Government-wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements utilize full accrual accounting (which recognizes revenue in the period it is earned, and expenses in the period occurred) as is done in private industry. The statements included in this section are the statement of net position and the statement of activities. Both government-wide statements are designed to show the annual increase or decrease in net

assets and, in doing so, distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, planning, building and safety, and recreation. The City's business-type activities include water, wastewater, stormwater, and parking.

### Fund Financial Statements

The Fund Financial Statements include governmental funds reported on a budgetary modified accrual basis (which recognizes revenues when they become available and measurable and, with a few exceptions, recognizes expenditures when liabilities are incurred), and proprietary funds reported on a full accrual basis. Major governmental funds (General Fund) and major enterprise funds (Water, Wastewater, Parking) are shown individually, while non-major funds are aggregated into a single column (full details are listed later in the document). Internal service funds are considered minor proprietary funds and are aggregated following enterprise funds.

The Notes to the Financial Statements section follows, which provides financial disclosures about the City's financial statements. That section is followed by the Combining Financial Statements & Schedules and the Statistical Section. The combining statements are presented in the traditional fund manner and report on the details of all non-major funds which appear on a combined basis in the front of the document. The Statistical Section, not subject to audit review and testing, provides general trend information presenting financial and economic data over time.

The first attachment to this report is the Letter of Transmittal, which has been extracted from the FY 2021-2022 ACFR. The Letter of Transmittal provides an overview of the financial information contained in the statements. In addition, there is discussion of:

- Profile of the Government
- Budget Process
- Financial Policies
- Major Initiatives
- Factors Affecting Financial Condition
- Executive Financial Overview

Staff recommends that the reader, at a minimum, review the Letter of Transmittal and MD&A portion of the report. Both the Letter of Transmittal and MD&A can be referenced in the introductory sections of the ACFR.

### Highlights and Trends

As of June 30, 2022, the City's net position totaled \$273.7 million government-wide, a decrease of \$70.7 million from the prior year. This increase is attributed to a net operating surplus \$71.2 million across all funds. The large surplus is due the City recording a net pension asset, which offset expenses in each function.

### Governmental Funds

Total net position in Governmental Activities (General, Capital Improvements, and Special

Revenue) was \$156.4 million, an increase of \$65.2 million from the prior year. Revenue in the Governmental Activities totaled \$102.3 million, an increase of \$11.9 million (13.1%) from the prior year driven by the recovery from the pandemic which resulted in an operating surplus of \$7.0 million across the governmental funds. Expenditures totaled \$35.4 million, down \$66.3 million (65.2%) compared to the prior year due the prior year payment of the pension liability from the issuance of pension obligation bonds. Total fund balances increased \$65.2 million to \$156.4 million.

General Fund balance was at \$39.8 million, up \$7.2 million compared to the prior year. Contributing to the increase were American Rescue Plan Act funds totaling \$4.2 million and higher revenues across all tax categories due to the recovery from the pandemic. Transfers out totaled \$4,365,153, which included \$2,183,688 to the Stormwater Fund and \$113,869 to the Street Lighting Fund to relieve deficit fund balances due to operations. General Fund support to the Stormwater Fund and Street Lighting Fund will continue unless a Proposition 218 assessment vote can be passed to fund operations going forward. Additional transfers included \$1,400,000 to the Bond Construction Fund for Fire Station #2 and \$667,596 to the Capital Improvement Project Fund (\$492,596 according to the pension policy and \$175,000 to fund additional projects).

#### Enterprise Funds

The total Business-Type Activities net position totaled \$117.3 million, up \$5.4 million from the prior year. Fund revenues totaled \$24.7 million, a decrease of \$375,686. Operating expenses totaled \$20.4 million, a decrease of \$1.2 million from the prior year. Operating income totaled \$5.9 million, up \$2.8 million from the prior year. Although the fund balance increased, unrestricted net position of \$41.3 million decreased \$10.2 million compared to the prior year due to the construction of capital projects that absorb working capital and increase investments in capital assets.

#### Pension Contributions

In May 2021, the City issued pension obligations bonds, which virtually eliminated its unfunded liability with CalPERS by replacing it with bonded debt. By issuing the POBs, the City was able to finance 100% of the current net pension liability (NPL) at a true interest cost of 2.72%, 4.43% lower than the CalPERS discount rate of 7.15% at the time of issuance. Moreover, the POBs allow the City to budget level debt service payments at \$5.5 million annually rather than trying to balance the budget for escalating Net Pension Liability (NPL) payments that would have eventually risen up to \$10 million by 2032. The City is estimated to save \$43.5 million in NPL payments over 25 years.

CalPERS investment returns were 21.3% for FY 2020-21, which resulted in a \$51.9 million net pension asset on the FY 2021-22 ACFR. The pension income offsets a significant amount of expenses in the functional categories, primarily in Public Safety. It is also important to approach yearly CalPERS returns with a long-term outlook as CalPERS published a preliminary return of negative 6.1% in FY 2021-22, which will be reflected in next year's financial statements.

Managing pension liabilities and meeting retirement obligations remain one of the City's biggest challenges. Over 95% of retirement costs are attributable to the City's Governmental Funds and growing pension costs have the potential to crowd out other funding needs. The City

has therefore developed an Unfunded Pension Liability Policy to provide a guideline on addressing future NPL. Future pension costs and liabilities will be monitored continuously and addressed to ensure they do not grow substantially.

In closing, staff is pleased to report that the FY 2021-2022 financial audit resulted in the City once again receiving an unmodified opinion. Furthermore, City Council General Fund policy reserves remain fully funded at the end of FY 2021-2022.

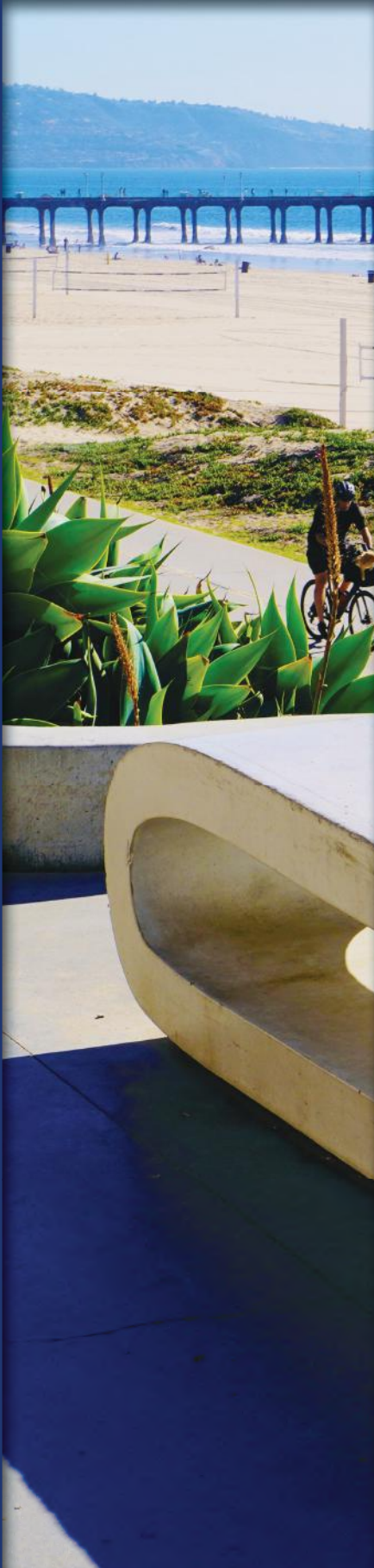
The City Manager and Finance Director wish to recognize the dedication, hard work, and attention to detail of all departments during the year that enables the City to achieve the unmodified opinion. Special recognition is in order for Finance staff, particularly Julie Bondarchuk and Libby Bretthauer. Mr. Brian Gruber, CPA & Partner with the audit firm of LSL, will also be present during the City Council meeting on January 17, 2023 to answer questions.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENT/ATTACHMENTS:**

1. Fiscal Year 2021-2022 Annual Comprehensive Financial Report (ACFR)
2. Report on Internal Control (Management Letter)
3. Audit Communication Letter



CITY OF MANHATTAN BEACH  
**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

FISCAL YEAR ENDED

JUNE 30, 2022

MANHATTAN BEACH,  
CALIFORNIA



CITY OF MANHATTAN BEACH, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



Prepared by the Finance Department  
Steve S. Charelian, Finance Director





CITY OF MANHATTAN BEACH  
 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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# INTRODUCTION





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*January 11, 2023*

Honorable Mayor, Councilmembers and Citizens of Manhattan Beach  
Manhattan Beach City Hall  
Manhattan Beach, California 90266

We are pleased to present the Annual Comprehensive Financial Report of the City of Manhattan Beach for the Fiscal Year ended June 30, 2022. This report has been prepared in accordance with generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). We are also pleased to report that the City has received an unmodified opinion from the independent auditor, meaning that financial statements are presented, in all material respects, in accordance with the applicable financial reporting framework.

The City's financial policies require an external independent audit be performed annually, and that the auditor's opinions be included in the Annual Comprehensive Financial Report (ACFR). Further, it states that the results be reviewed with the Finance Subcommittee, which met with the auditor and discussed the results on December 15, 2022.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included.

City management is responsible for establishing and maintaining fiscal internal controls designed to safeguard the assets of the government from loss, theft or misuse, and to ensure that accounting data is accurately compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by Lance, Soll & Lunghard, CPAs, an accounting firm selected by the City Council, based on a recommendation from the Finance Subcommittee. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for



rendering an unmodified opinion and that the City of Manhattan Beach’s financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditor.

## **Profile of the Government**

The City of Manhattan Beach is located in the South Bay region of Los Angeles County. The current population<sup>1</sup> is 34,902. The City encompasses approximately four square miles.

Incorporated in 1912 under the general laws of the State of California, the City operates under the Council-Manager form of government. The City Council is comprised of five members elected at-large for overlapping four-year terms. Each member may serve as Mayor for a nine-month period once during his or her four-year term in office. The City Treasurer is also elected to a four-year term and serves as the chairperson for the Finance Subcommittee. City Councilmembers are limited to two consecutive terms. The City conducts its elections with statewide elections scheduled in November.

The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Councilmembers also serve as the governing body of the Manhattan Beach Capital Improvements Corporation (please see Note 1 in the ACFR for more information).

In addition, the City Council appoints the members of the following advisory Boards and Commissions:

Planning Commission	Parking and Public Improvements Commission
Parks & Recreation Commission	Board of Building Appeals
Library Commission	Business Improvement District Advisory Boards
Cultural Arts Commission	

The City is a full-service municipality, and provides a variety of services to the community, including:

Police services	Fire and paramedic services
Culture and recreation	Building and safety
General government	Water and wastewater utilities
Stormwater management	Parking facilities
Street and landscape maintenance	

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<sup>1</sup> State of California, Department of Finance, E-1 Population Estimates for Cities. Sacramento, California, May 2022.

## **Budget Process**

The City operates on an annual budget schedule. The budget development process begins in January of each year. Line-item budget development is accomplished through the City's financial system, which allows each department to build its budget using computerized worksheets. Each department is responsible for developing the Materials & Supplies line items and part-time employee salaries. The remaining Salary & Benefit information is calculated and entered by the Finance Department.

The Finance Director, in coordination with the applicable operating departments, provides the City Manager with proposed revenue projections. These revenue estimates are reviewed with the department budget requests to determine available funding levels for the fiscal year. Supplemental budget requests (new personnel, services or equipment) are subject to City Manager review and approval before becoming part of the proposed operating budget. This process applies to all governmental and enterprise funds.

The City Manager and Finance Director meet with the departments to review all operating expenditures and budget change requests. After this final review and approval by the City Manager, the proposed budget document is presented to the City Council in May. Budget study sessions and a public hearing are then held by the City Council. The budget is adopted by resolution prior to June 30.

During the fiscal year, the budget can be amended as necessary to meet the City's needs. The City Council has the legal authority to amend the budget at any time. Department Heads and their designated representatives may only authorize expenditures based on appropriations approved by City Council action, and only from accounts under their organizational responsibility. Actual expenditures may exceed budget appropriations by line-item. However, total expenditures within each fund may not exceed the total appropriation for that fund. The City Manager has the authority and discretion to approve interdepartmental appropriation transfers as long as they are within the same fund. Inter-fund transfers require a budget amendment by the City Council.

## **Financial Policies**

In fiscal year 1997-1998, the City Council approved the City's first set of financial policies, designed to promote sound financial management and ensure that the City's fiscal integrity remains intact as staff and Councilmembers change. The Policies are reviewed and re-adopted every year with the City's Operating Budget in June.

While presenting General Fund balance in accordance with GASB pronouncements, the City Council has established certain policy "reserves" within what GASB defines as the unassigned category. The unassigned category is the residual classification of fund balance that is not in restricted or committed classifications. In the General Fund section of this transmittal letter, General Fund unassigned balance is broken down in accordance with City Council Financial Policy.

## **Long Term Planning**

Each year during the budget process, the City develops a five-year forecast of revenues and expenditures for all funds. During the most recent budget cycle, the forecast concluded that unassigned General Fund balance is at risk of declining if conservative revenue estimates and on-going transfers out to other funds continue. The transfers out are currently necessary to support the Stormwater Fund and Street Lighting and Landscape Fund deficits, which may only be mitigated by a Proposition 218

vote. However, by proactively discussing long-term forecasts and plans, the City Council will be able to take action early and smooth out any operational impacts. The most recent five-year forecast can be found in the fiscal year 2022-2023 Adopted Budget, available online at [www.manhattanbeach.gov/budget](http://www.manhattanbeach.gov/budget).

## **Major Initiatives**

### *Business Assistance Initiatives during COVID-19*

The City relies on sales tax as a notable source of revenue. The COVID-19 pandemic and California's related declaration of a State of Emergency, which included restrictions on commerce such as capacity limitations and prohibitions on in-person dining, impeded the performance of many local businesses and impacted sales tax revenues. In response to these economic pressures, the City launched an emergency Business Loan Program to promote the economic viability of financially impacted local businesses. Fourteen local businesses received loans totaling \$125,000 in amounts ranging from \$5,000 to \$10,000. One recipient has already repaid their loan in full. The repayment and interest accrual for the remaining thirteen loans will begin after the City issues an affirmative declaration that the local emergency is no longer in effect. Even as pandemic restrictions ease, the City remains committed to adapting to the community's needs during the remaining stages of the pandemic.

### *Manhattan Village Mall Enhancement Project*

On December 2, 2014, the City Council approved the Mall Expansion Project with additional conditions. The approval allowed construction of Phases 1 and 2, and deferred Phase 3 (Fry's corner) for future public review and input. On December 20, 2016, the City Council endorsed the updated site plan, which includes as Phase 1, the consolidation and expansion of the Macy's property, totaling 60,000 square feet, and construction of a parking structure. This phase was completed in late 2018. Phase 2 encompasses refinement of the plaza area and improved parking and circulation elements, with new restaurants and retail uses totaling 50,000 square feet, which is largely completed. The shopping center now totals approximately 646,000 square feet and brought a variety of new restaurants and retail elements to the mall portfolio. Additionally, there were several amendments to the project to capitalize on to changing economic and retail trends, as well as customer and tenant needs. Beyond the original approvals, the City worked closely with the developer and property owners to add a new building pad for commercial uses (currently Sushi Roku and Boa Steakhouse), which commenced construction in 2021 and was completed in 2022. Furthermore, with the Fry's operation going out of business, the City expects that entitlements for Phase 3 of the project will be initiated by the developer in the near future.

### *Sepulveda Corridor Plan*

The Sepulveda Boulevard corridor is a major transportation corridor for the South Bay region. In Manhattan Beach, this corridor runs north-south through the heart of the City, functions as a commercial corridor and houses major tenants such as the Manhattan Village Mall and Shopping Center, Target, Toyota, Skechers Headquarters, as well as medical facilities, financial institutions, salons, fitness studios, eateries, automotive shops, and other local businesses.

At the November 7, 2017, City Council meeting, the City Council approved the Sepulveda Corridor Initiatives Work Plan and establishment of a Working Group. The various planning initiatives focused on economic vitality, planning, parking, traffic and corridor beautification. Corresponding Zoning

Code changes were adopted in March 2019. The new regulations increase flexibility in development standards, which fosters versatility in land uses and, in turn, encourages establishment of revenue-generating uses within the corridor. One such example is the allowance of additional height for hotel projects on key larger sites through the Use Permit public hearing process. In June 2021, the City Council approved a new hotel at 600 South Sepulveda Boulevard under these regulations. Commercial parking standards, which affect commercial uses in the Corridor and in other commercial zoning districts, are in the process of being updated and are scheduled to be completed in 2023.

Peripherally related to the Sepulveda Corridor Initiatives, the City also approved a major reinvestment of a 53,181 square-foot parcel at 250 – 400 N. Sepulveda Boulevard in July 2021. Sunrise Assisted Living will be developing a 79,772 square-foot assisted living facility, which is currently in plan check and slated to begin construction in 2023.

### *Sepulveda Bridge Widening Project*

The Sepulveda Bridge is located on Sepulveda Boulevard (State Route 1) between Rosecrans Avenue and 33rd Street. The bridge and its approaches from both the north and south sides include three lanes in each direction, and serves an average of 71,000 vehicles per day. The project will widen the east side of the structure to provide a fourth northbound lane to remove the existing bottleneck in that area. Sepulveda Boulevard, including the bridge, is owned and maintained by Caltrans. Due to the local significance of the roadway, the City entered into an agreement with Caltrans in February 2009 to widen the bridge as a joint project, with the City taking the lead and Caltrans serving in a supporting role. Since then, the City secured project funding and worked with Caltrans to update seismic retrofit plans in accordance with recent code changes. Grants totaling \$15.9 million were awarded for the project, partially offsetting the total estimated cost of \$18.2 million. Construction of the bridge commenced in 2020 and was completed in December 2022.

### *Peck Reservoir Replacement Project*

The Peck Reservoir Facility, at 1800 Peck Avenue, was built in 1957. At 65-plus years old, it had exceeded its useful life and was in need of a full replacement. This reconstruction project was identified as a top priority and recommended as part of the 2010 Water System Master Plan. The replacement of the Peck Reservoir will help ensure the long-term dependability of the water system in our community. The Peck Reservoir Replacement Project consists of the demolition of the existing 7.5-million gallon, partially buried concrete reservoir, pump station, and other facilities situated within the existing 2.7-acre property. A new 8-million gallon reservoir, booster pump station building, and groundwater filtration treatment plant are being constructed at the same location. The City is in the construction phase of the project and expects to complete the approximately \$40 million project in Spring/Summer 2023.

### *Fire Station No. 2 Replacement*

The Fire Station No. 2 Replacement Project is located at the southeast corner of Rowell Avenue and Manhattan Beach Boulevard at 1400 Manhattan Beach Boulevard. The project will replace the original Fire Station No. 2 constructed on that same site in 1954. The original station no longer met current needs of the Fire Department due to changes over time in staffing requirements, services provided, fire apparatus design and new building code requirements. A 2017 study assessing the facility identified numerous building deficiencies, most notably in the building's seismic force resisting system, and led the report's author to conclude the fire station was no longer adequate to

serve as an essential facility. The study recommended replacing the facility due to numerous and significant building code issues that were too costly to fix as well as increasingly costly maintenance. A design consultant was retained by the City in 2018 and proposed designs were presented to the public later that same year. Preliminary Planning documents were subsequently approved by the Planning Commission and the City Council with final plans approved in early 2021. Construction of the new two-story 8,400 square foot facility began in November 2021 with completion anticipated by Summer 2023.

## FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The economic and cultural shock from the COVID-19 pandemic was sudden and unprecedented. The California Governor declared a state of emergency on March 5, 2020, and the City of Manhattan Beach declared a local state of emergency on March 13, 2020. These declarations were both still in effect through the end of the 2021-2022 fiscal year. However, as of October 2022, the Governor announced the declaration is scheduled to end on February 28, 2023.

### *Local Economy*

Local businesses have begun to recover from the “Safer-At-Home Order” that ended as of June 15, 2021. The State created the “SMARTER Plan” to combat the virus without the strict physical restrictions. While the certain effects of the pandemic may linger on for some time, the City is steadily recovering and this is reflected in the City’s increased tax and rent revenues in the current year.

The South Bay region is home to a number of industries including aerospace, entertainment, technology, leisure and tourism, and manufacturing. Economists report that the South Bay area has strong fundamentals including high levels of education, high incomes and competitive industries. The most recently available figures indicate that Manhattan Beach has a 3.2% unemployment rate, compared to Los Angeles County at 4.5% and the State of California at 4.1%<sup>2</sup>.

The region typically fares better than some other areas of the State during weak economic conditions. However, few, if any, industries have been unhurt by the COVID-19 pandemic. In particular, local hotels experienced a drop in occupancy rates due to declines in travel and tourism. Additionally, retail and restaurant establishments, including many “boutique”-style small businesses, were severely impacted by the “Safer-At-Home” public health orders and lack of tourism.

Although the COVID-19 pandemic is was still ongoing in FY 2021-2022, several major revenues including, Sales Tax, Transient Occupancy Taxes, and Business License Taxes exceeded pre-pandemic levels indicting the local economy and travel/tourism to the area has significantly recovered.



<sup>2</sup> State of California, Employment Development Department, November 2022 (Final)

The City's largest General Fund revenue source, Property Tax, grew by 5.1% (\$1.9 million) in FY 2021-2022. Assessed valuations, which indicate tax revenue and help propel property tax growth, are projected to increase by 6.75% in FY 2022-2023, driven by demand and resulting price escalations in the local housing market. Single-family homes valued at pre-1978 levels (before Proposition 13) continue to turn over, resulting in higher assessed valuations being added to the property tax rolls. Roughly 14.7% of single-family parcels within the City remain assessed at pre-1978 values.

### *Long-Term Pension Liability and Issuance of Pension Obligation Bonds*

As a service organization, labor accounts for the majority of the City's costs - approximately 57% in the General Fund. As a proactive measure, and to take advantage of historically low borrowing rates, the City issued Pension Obligation Bonds (POBs) in May 2021. During the sale process, over \$708 million in orders were received for the City's available \$91 million in POBs. This transaction replaced all of the City's pension liability for debt service. The final spread levels achieved the lowest spreads in the POB market ever issued in the California market, reflecting the strength of the City's conservative financial management and AAA credit rating, and resulting in a True Interest Cost (TIC) of 2.72%. Issuance of the POBs also stabilized rising pension liability costs by creating level debt service payments of \$5.5 million over the next 22 years and resulted in a net pension asset of \$51.9 million in FY 2021-2022. Through the final maturity date in 2043, the potential pension UAL budgetary savings totals \$43.5 million.

## **EXECUTIVE FINANCIAL OVERVIEW**

This top level overview is presented as a supplement to the more detailed and comprehensive analysis presented in the MD&A. As such, it serves to highlight key financial performance indicators for our major funds. We encourage readers to review the MD&A for a further analysis of the City's financial condition.

### **General Fund**

The General Fund is the primary operating fund of the City of Manhattan Beach. The General Fund balance increased by \$7,206,576 from 2021. The increase is attributable to net revenues over expenditures of \$11,039,101 offset by Other Financing Sources (transfers-in, transfers-out) equal to negative \$3,832,525. Transfers-in included \$532,628 from the County Parking Lot Fund in line with the contract with the County of Los Angeles. Offsetting this fund balance increase, transfers-out comprised of subsidies to other funds to support operations, including \$2,183,688 to the Stormwater Fund and \$2,181,465 to various nonmajor Governmental Funds.

The Pension Trust Fund and the PARS Investment Trust Fund is included in the General Fund balance. At the end of fiscal year 2022, the total General Fund balance equaled \$39.8 million, of which \$3.0 million is either nonspendable or restricted and \$58,007 is assigned to City retirement plans, leaving an unassigned fund balance of \$36.8 million. Within the unassigned fund balance, City Council has established earmarks for financial policies and economic uncertainties of \$20.0 million, leaving \$16.8 million available for use at City Council's discretion.

Nearly all General Fund revenue categories increased from the prior year due to the steady recovery from the economic impacts of the COVID-19 Pandemic. Changes from the prior year for each category are noted in the table below:

Revenue Category	2022 Actual	2021 Actual	Increase/ (Decrease)	%
Property Tax	\$38,703,861	\$36,823,265	\$1,880,596	5.1%
Other Taxes (Sales, Hotel, Business License, etc.)	24,291,290	16,938,737	\$7,352,553	43.4%
Licenses and Permits (Building, Construction, Film Permits)	3,983,079	3,577,333	\$405,746	11.3%
Fines (Parking Citations, Vehicle Code Fines)	2,358,731	1,443,177	\$915,554	63.4%
Use of Money and Property (Interest, Rents and Ground Leases)	1,647,517	2,479,805	(\$832,288)	(33.6%)
Received From Other Agencies (Vehicle License Fees, Grants)	4,801,637	5,228,799	(\$427,162)	(8.2%)
Service Charges (Plan Check Fees, P&R Class, Ambulance Fees)	8,091,082	6,531,768	\$1,559,314	23.9%
Interfund Charges (Admin Service Charge)	3,738,160	3,731,425	\$6,735	0.2%
Miscellaneous*	2,076,767	1,300,483	\$776,284	59.7%
<b>Total</b>	<b>\$89,692,124</b>	<b>\$78,054,792</b>	<b>\$11,637,332</b>	<b>14.9%</b>

\*Includes proceeds from the Sale of Capital Assets.

With the City's relatively high property values, Property Taxes continue to be the main revenue source totaling 43% of all General Fund revenues. Property Taxes have been a stable source of funds, including during the Great Recession, with a \$1.9 million (5.1%) increase over the prior year.

In the Other Taxes category, the City's next largest revenue sources, Sales Taxes and Transient Occupancy (Hotel) Taxes, were both directly and significantly impacted by Safer-At-Home orders in prior year. Sales Tax, totaling \$10.5 million in FY 2021-2022, ended the year \$2.4 million (30.3%) above the prior year. Transient Occupancy (Hotel) Taxes, which totaled \$5.6 million, increased by \$3.2 million (134.5%) compared to the prior year as tourism and travel makes a recovery from the pandemic. Business License Tax, which is based on gross receipts, increased \$1.4 million (37.8%) over the prior year to \$5.2 million. Additionally, Real Estate Transfer Tax increased \$200,507 (17.7%) to \$1.2 million reflecting strong demand in the local housing market.

Building permit revenue increased by \$476,760 (33.3%) and other construction permits decreased \$29,373 (3.9%) compared to the prior year. Although activity was impacted by the pandemic, the reduction in building permits was also attributed to significant one-time commercial project permits, such as for the Manhattan Village Mall, in the prior year.

In the Use of Money & Property category, the most significant driver of the \$0.8 million (33.6%) decrease was the impact on historically low interest rates on interest revenues and investment earnings. An investment loss was booked at \$2.9 million compared to a gain of \$1.7 million in FY 2020-2021. Additionally, rents and leases increased \$266,104 (10.1%) compared to the prior year due to the which was significantly impacted by a loss of percentage rent revenues due to lower occupancy rates at one major hotel.

The increase in Service Charges was primarily due to the increase in Parks and Recreation facility reservation and recreation classes reopening in the current year after restrictions from COVID-19 were lifted in June 2020-21. Overall, these fees were up \$1.6 million (80.7%) from the prior year.

On an overall basis, General Fund revenues totaled \$89.7 million, up by \$11.6 million or 14.9% from the prior year and outperformed the final budget by \$6.7 million (excluding transfers in).

General Fund expenditures totaled \$78.7 million in FY 2021-2022, a decrease of nearly \$78.1 million over the prior fiscal year and about \$2.7 million under the final budget. The issuance of 2021 POBs in accounts for \$85.5 million of the prior year expenditures. When compared to the prior year's actual, Salaries and Benefits decreased by approximately \$87.6 million entirely attributable to the CalPERS Pension Liability payments funded by the POBs. When adjusting for the POBs, the salaries and benefits decreased \$2.2 million compared to the prior year. Materials and Services, which includes Contract and Legal Services, increased by \$2.3 million or 23.5% from the prior year, mainly due to reinstatement of contract services in FY 2021-2022 that had been reduced or eliminated in the prior year during COVID-19 restrictions.

## **Other Funds**

### *Underground Assessment District*

Three Utility Undergrounding Assessment Districts (19-4, 19-12, 19-14) were approved by property owners in FY 2019-2020. Construction of all other previously approved underground districts was completely managed by the utility companies for lump sum pricing. For these three districts, the City's Public Works Department is directly overseeing construction and, as a result, the bond proceeds (revenues) and expenditures are flowing through a City governmental fund. Property owners were given an opportunity to prepay their assessment in cash or to pay in annual installments following the issuance of bonds. Construction commenced in 2020 following the cash collection period and subsequent sale of bonds for remaining assessments. Completion of the utility undergrounding projects is expected in 2023.

### *Capital Improvement Fund*

Although a non-major fund in FY 2021-2022, the Capital Improvement Projects (CIP) Fund is important to highlight given its significance in managing general governmental infrastructure and facilities capital projects. In FY 2021-2022, CIP Fund total revenues were \$1.5 million and expenditures were \$3.3 million.

As of June 30, 2022, the total balance of the CIP Fund is \$5.9 million. A list of major capital projects at year end include:

- \$373,322 – Facilities Improvements
- \$60,565 – Fire Station 2 Replacement Project
- \$312,835 – Street Projects
- \$385,278 – Polliwog Park Playground Resurfacing and Equipment Replacement Project
- \$1,352,659 – Other projects in design or construction including various facility projects and HVAC replacement projects.

Although some of these projects, such as the Polliwog Park Facilities, will be offset by grants, it should be noted that on-going projected revenues of \$1.5 million less debt service of \$1.2 million result in a steady state excess of only \$0.3 million. General Fund transfers, grants or new revenues will be required to finance larger scale projects in the future.



### *Enterprise, Internal Service, and Special Revenue Funds*

This group includes the City's enterprises such as Water, Wastewater, Stormwater and Parking funds; internal service funds such as Fleet, Insurance, Building Maintenance and Information Technology; and Special Revenue funds including Gas Tax, Proposition A & C, Measure R, Measure M, Measure W, Asset Forfeiture, etc. Among this group, several funds deserve attention.

For several years, the Water Fund continued to build resources for planned capital improvements needed to sustain the utility's operation and infrastructure. In FY 2021-2022, net income from operations totaled \$2.9 million, an increase of \$1.0 million (53.9%). Operating revenue from sales and service charges decreased by \$237,489 (1.5%), while operating expenses (labor, materials, services, etc.) decreased by \$1.3 million (9.2%) due to increased capitalized costs and a decrease in project costs expensed as maintenance. Until recently, water rates had remained unchanged since 2014. After a prop 218 process, the City Council adopted new water rates on June 7, 2022 to align revenues with current operational and capital costs to maintain the City's water system and provide water service. The new rates went into effect in November 2022. Accumulated fund balances provide resources for planned capital improvements to the utility's infrastructure, estimated at \$36.8 million over the next five years, including the replacement of Peck Reservoir which is estimated to cost nearly \$39.0 million. The remaining balance on the project at the end of FY 2021-2022 is \$14.8 million.

In FY 2021-2022 the net operating income for the Wastewater Fund was \$1.6 million versus \$1.8 million in the prior year, a decrease of \$142,152 or 8%. Operating revenue was relatively flat compared to the prior year while operating expenses increased \$105,395 or 5.7%. Wastewater rates were last adjusted along with the water rates in January 2010. Similar to the recent water rate study, an analysis is underway to determine appropriate rate increases needed to fund necessary capital improvements to the wastewater system. Since the Wastewater revenues are based on water consumption, water conservation efforts also result in lower Wastewater revenues without the benefit of lower operational costs as is the case in the Water Fund, where conservation results in less pumping and less water being purchased.

Continuing an ongoing trend of losses, the Stormwater Fund net operating loss in FY 2021-2022 was \$1.4 million. Accumulated losses for the prior five fiscal years total over \$4.5 million. The combination of fixed fees and rising costs requires General Fund subsidies. The General Fund transferred \$2,183,688 in FY 2021-2022 to support operations. Additionally, due to legislative mandates, additional capital improvements will result in increased costs. Current assessments were set in 1996. A Proposition 218 assessment vote will be necessary to adjust assessments. Measure W, which is a Los Angeles County-wide stormwater parcel tax passed in November 2018, will provide some relief, but the City's funding allocation will not fully eliminate the operational deficits given restrictions written into the allowable use of funds.

The Parking Funds net operating income for FY 2021-2022 was \$2.0 million, up \$1.6 million or 442.4% from the prior year. Operating revenue increased \$1.3 million, up 39.6% compared to the prior year, due to an increase in street parking meter rates in September 2020 as well as impacts from COVID-19 "Safer-At-Home" orders in the prior year. Total operating expenses of \$2.6 million were down \$311,463 or 10.7% from the prior year due to decreased materials and service expenses. Future capital improvement projects, such as the reconstruction of dated parking structures, as well as debt service on bond principal will require an increase in cash flow.

### *Street Lighting and Landscape Fund*

The Street Lighting and Landscape Fund continues to run deficits each year. For FY 2021-2022, expenditures exceeded revenues by \$82,504. As in the case of the Stormwater Fund, assessments have been constant for over 20 years. Because there is no fund balance to draw upon, the General Fund contributes the entire amount needed for continued operations. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues.

### *Insurance Reserve Fund*

For FY 2021-2022 the net position for the Insurance Fund increased \$3,130,405. Prior to fiscal year 2022, the unpredictable nature of claims payments, compounded by rising medical costs and claim judgments, caused internal service fund charge-outs to fall behind funding needs in previous years. However, in FY 2021-2022, claims insurance recoveries increased \$6,729,699 or 93.6% due to the insurance recovery of an old case resulting in a positive fund balance.

### *Custodial Funds*

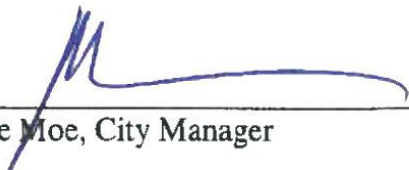
The custodial fund group includes debt service funds held in trust on behalf of Utility Undergrounding Assessment Districts (UUAD). The City refunded the outstanding bonds of five Underground Districts in March 2018 to take advantage of lower interest rates and reduce assessments for property owners. Interest rates for the new refunding bonds were set at a uniform annual rate of 3.00%, compared to the previous rates that ranged from 4.72% to 4.95%. The 2018 refunding bonds mature in September 2026.

Debt service on the bonds issued for the three UUAD Districts (19-4, 19-12, and 19-14) formed in FY 2019-2020 range in interest rates from 2.00% to 3.00%. These bonds mature in September 2040.

## **OTHER INFORMATION**

Manhattan Beach's history of prudent financial decision-making has earned and maintained a sound financial condition. In fact, Standard & Poor's reaffirmed the City's AAA Credit Rating on July 20, 2021. Established reserves remain funded, and the City continues to operate efficiently and effectively, all while continuing to provide outstanding services for the community.

**Acknowledgments:** This report was made possible through the efforts and teamwork of the highly dedicated Finance staff. Special thanks to Julie Bondarchuk and Libby Bretthauer. Appreciation is also expressed to the City Council and City Treasurer for their interest and support, which made this presentation possible. Finally, thanks to the City's auditing firm of Lance, Soll & Lunghard, LLP for their professionalism and diligence in assisting in the preparation this year-end financial report.

  
\_\_\_\_\_  
Bruce Moe, City Manager

  
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Steve S. Charelian, Finance Director

## ELECTED OFFICIALS & EXECUTIVE STAFF

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### **ELECTED OFFICIALS**

### **TERM ENDS**

<i>Mayor</i>	<i>Steve Napolitano</i>	<i>November 2024</i>
<i>Mayor Pro Tem</i>	<i>Richard Montgomery</i>	<i>November 2024</i>
<i>City Councilmembers</i>	<i>Joseph Franklin</i>	<i>November 2024</i>
	<i>Suzanne Hadley</i>	<i>November 2022</i>
	<i>Hildy Stern</i>	<i>November 2022</i>
<i>City Treasurer</i>	<i>Tim Lilligren</i>	<i>November 2024</i>

### **EXECUTIVE STAFF**

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<i>City Manager</i>	<i>Bruce Moe</i>
<i>City Clerk</i>	<i>Liza Tamura</i>
<i>City Attorney</i>	<i>Quinn M. Barrow</i>
<i>Finance Director</i>	<i>Steve S. Charelian</i>
<i>Human Resources Director</i>	<i>Lisa Jenkins</i>
<i>Parks &amp; Recreation Director</i>	<i>Mark Leyman</i>
<i>Police Chief</i>	<i>Derrick Abell</i>
<i>Fire Chief</i>	<i>Michael Lang</i>
<i>Community Development Director</i>	<i>Carrie Tai, AICP</i>
<i>Public Works Director</i>	<i>Erick Lee</i>
<i>Information Technology Director</i>	<i>Terry Hackelman</i>



# MANHATTAN BEACH RESIDENTS

CITY COUNCIL

CITY TREASURER

PARKING & PUBLIC IMPROVEMENTS COMMISSION

BOARD OF BUILDING APPEALS

PLANNING COMMISSION

PARKS & RECREATION COMMISSION

CULTURAL ARTS COMMISSION

LIBRARY COMMISSION

CITY MANAGER

CITY ATTORNEY

MANAGEMENT SERVICES DEPARTMENT

FINANCE DEPARTMENT

HUMAN RESOURCES DEPARTMENT

PARKS & RECREATION DEPARTMENT

POLICE DEPARTMENT

FIRE DEPARTMENT

COMMUNITY DEVELOPMENT DEPARTMENT

PUBLIC WORKS DEPARTMENT

INFORMATION TECHNOLOGY DEPARTMENT



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in Financial  
Reporting

Presented to

**City of Manhattan Beach  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO

# FINANCIAL SECTION





## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

### Report on the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manhattan Beach, California, (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

##### *Change in Accounting Principle*

As described in Note 5 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.





To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Reporting Responsibilities***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund, the schedules of changes in net pension liability and related ratios, the schedule of investment returns, the schedule of proportionate share of the net pension liability, the schedules of employer plan contributions, and the schedule of changes in net OPEB liability and related ratios, and the schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with



To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll &amp; Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California  
January 11, 2023



***CITY OF MANHATTAN BEACH***  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Manhattan Beach, we offer our readers of these financial statements this narrative overview and analysis of the financial activities of the City of Manhattan Beach for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i to xi of this report.

### FINANCIAL HIGHLIGHTS

#### *Government-Wide Financial Basis*

- As of June 30, 2022, the City's total net position Citywide (including all governmental and business type activities) totaled \$273,717,256, an increase from the prior fiscal year of \$70,712,690 or 34.8% due to operations.
  - Governmental net position for the fiscal year totaled \$156,437,394 an increase of \$65,270,973 or 71.6%. This increase is due to revenues totaling \$102,314,757 (program revenues of \$31,605,483 and general revenue of \$7,709,274), transfers out of \$1,651,060 less activity expenses of \$35,392,724.
  - Business-type activity net position totaled \$117,279,862, an increase of \$5,441,717 or 4.9%. This change in net position is a result of operations (program revenues of \$25,786,083, negative non-program revenues of \$1,062,380, expenses of \$20,435,076, transfers in of \$1,651,060 and prior adjustment of negative \$497,970 due to a correction of processor fee payments).
- Unrestricted net position, which may be used to meet the government's on-going obligations within certain parameters and requirements, totaled \$77,340,952. This is an increase of \$57,732,188 or 294.4% from FY 2020-2021.
- Governmental Activities
  - Governmental Unrestricted Net Position of \$35,997,886 increased \$67,910,652 from the prior year. Unrestricted net position is defined as total net position less the difference between capital assets and accumulated depreciation less associated bonding including premiums/discounts. The significant increase can be primarily attributed to the CalPERS pool experiencing a strong rate of return of 21.3%. This resulted in an overall pension income of \$45,950,552, of which approximately 93% was allocated to governmental funds. See Note 10 for additional information.
  - The City implemented GASB Statement No. 87 (Accounting for Leases) during FY 2021-2022. This accounting standard recognized assets and liabilities for leases that were previously classified as operating expenses/income. The City record lease receivable of \$24,988,459 which were offset by deferred lease inflows of \$24,788,395 and leases payable of \$2,090,304. See Note 5 for additional information.
- Business Type activities
  - Unrestricted Net Position of \$41,343,066, decreased by \$10,178,464 compared to the prior year primarily due to the construction of capital projects including the Peck Reservoir replacement project. The City anticipates a lower unrestricted net position in the near future when large projects, such as reconstruction of Peck Reservoir, absorb working capital and correspondingly increase investment in capital assets.

- Citywide capital assets (land, work in progress, completed) net of depreciation increased by \$20,145,455 (See Note 6). Governmental net capital assets increased by \$5,384,588. Net capital additions of \$10,523,855 were offset by depreciation expense of \$5,100,708 and net disposals of \$38,559. Business-type net capital assets increased by \$14,760,867; additions were \$16,102,488, which were offset by depreciation expense of (\$1,341,621). Future expenditures for capital projects will not affect the overall net position of the government-wide position as the expenditure would be offset by an increase in non-current assets but may have an impact on the level of working capital.
- The City's bond debt increased by \$3,582,015 during FY 2021-2022 (See Note 7). This increase is attributable to the issuance of the 2021 Fire Station No. 2 Certificate of Participation bonds in the amount of \$7,440,000 and the 2021 Refunding Certificate of Participation bonds in the amount of \$5,925,000, which defeased the 2012 Metlox and Water/Wastewater refunding COPs of \$6,985,000 less the scheduled principal pay down of issued bonds and changes in bond premium/discount by both governmental activities \$2,903,845 and business-type activities \$(105,860).
- General liability and workers compensation insurance claim reserves decreased by \$249,389 (See Note 14). Decrease in workers' compensation claims activity resulted in a reserve decrease of \$327,254 while general liability claims activity resulted in an increase in general liability reserves of \$77,865. This year, the City recorded 50% of the incurred but not reported (IBNR) reserves based on the 50% confidence level on the actuarial report.

#### *Fund Financial Basis – Governmental Funds*

- As of June 30, 2022, the General Fund balance was \$39,817,477. Fund expenditures exceeded revenues by \$11,039,101 due to regular operations. Other sources (uses) were net transfers out of \$3,832,525, resulting in a net change of \$7,206,576.
- Governmental Funds (General, Capital Improvement and Special Revenue) revenue totaled \$103,421,329, an increase of \$14,701,859, (16.6%) from FY 2020-2021. The increase is primarily attributable to the City's steady recovery from the COVID-19 pandemic. For example, in FY 2021-2022 transient occupancy tax (TOT) revenue increased \$3,203,538, whereas in the prior year TOT revenue experienced a significant decrease due to the pandemic.
- Governmental Funds expenditures totaled \$96,393,841, down \$82,308,125 (46.1%) from the prior year. The variance was due to the prior year issuance of POB of \$91,275,000 of which \$89,385,711 was allocated to governmental funds. Capital expenditures were up \$3,631,093 due a number of projects entering the construction phase, including \$2,026,927 of project expenditures. Total governmental fund revenue exceeded expenditures by \$7,027,488, wholly increase in Capital and Public Work projects in the Prop C and Underground Assessment funds.
- General Fund net transfers-out totaled \$3,832,525. Transfers-out included \$2,183,688 to the Stormwater Fund, \$1,400,000 to the Safety and Civic Center Construction Fund, \$667,596 to the Capital Improvement Fund and \$113,869 to the Street Lighting and Landscape Fund. Transfers in consisted of \$532,628 from the County Parking Lot Fund. Transfers are required to maintain adequate funding levels or eliminate deficits (See Note 4 for more information).

## USING THIS ANNUAL REPORT

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Reporting on the City as a Whole

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred inflows/outflows of resources and liabilities, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Manhattan Beach is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs on a full-accrual basis, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statement of activities has two components:

#### *Governmental Activities*

This is a consolidation of all governmental funds and includes the General Fund, Capital Improvements Funds, Special Revenue Funds and Internal Service Funds. These funds are supported by taxes, intergovernmental revenues, grants, and charges for services. Expenses include materials and labor, depreciation, and amortization of prepaid pension obligations. Governmental fund expenditures for payment of principal on long-term debt and capital assets are excluded. All intra-governmental charges and expenses and transfers within governmental funds are eliminated.

All internal service fund expenses and depreciation on capital assets are fully allocated to each functional program. Expenses are classified among the following programs: general government, public safety, culture and recreation, and public works. Program activities that produce revenues or receive grant support are applied against program expenses to yield the net expenses. Revenues that cannot be attributed to a specific program, such as taxes and interest (e.g. General Revenues), are shown separately. The total of General Revenues, less net program expenses, generates the change in net position. Total net position of governmental activities differs from fund balances of governmental funds by long-term assets (capital and prepaid pension), long-term liabilities and the total of internal service fund net position.

#### *Business Type Activities*

All enterprise funds (Water, Wastewater, Stormwater and Parking Funds) are included in Business Type activities. These activities have been traditionally presented as enterprise funds and tie directly to the *Statement of Revenues, Expenses, and Change in Net position – Proprietary Funds*, as shown in the Funds section of this report.

The government-wide financial statements can be found on pages 27 to 29 of this report.



## Reporting on the City's Most Significant Funds

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Manhattan Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. In effect, the budgetary governmental fund statements are working capital flow of funds statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following the governmental funds *Balance Sheet*, and *Statement of Revenues, Expenditures and Changes in Fund Balances*, there are respective reconciliations of the fund balance to *Statement of Net position*, and *Net Change in Fund Balances* – total governmental funds to change in net position of governmental activities. As discussed above, the reconciliations include treatment of capital expenditures, depreciation, changes in capital assets, long-term debt, prepaid pension costs, full accrual versus modified accrual and change in net position of internal service funds.

The City of Manhattan Beach maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and Proposition C Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in the fund financial statements section of this report.

The City of Manhattan Beach currently operates on an annual budget cycle. The FY 2021-2022 Budget was adopted on June 15, 2021. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 31-43 of this report.

**Proprietary funds:** Proprietary funds account for goods and services provided to customers and for cost recovery via service charges. There are two types of proprietary funds: enterprise funds which provide services to outside users (residents and businesses of Manhattan Beach), and internal service funds, which provide services to City departments. The City uses internal service funds to account for its fleet of vehicles, information technology, shared building and maintenance costs, and City-wide insurance costs. Because these services predominantly benefit the governmental function, they have been included within governmental activities in the government-wide financial statements and related intra-governmental charges and transfers have been eliminated accordingly, except for charges and transfers to the enterprise funds, which are quasi-internal transactions.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. All four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements. Three of the City's seven enterprise funds are considered major funds and presented as such in the fund financial statements. The three non-major funds, Stormwater, County Parking Lot, and State Pier and Parking lots, are presented individually in the combining statements.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 121-152 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-95 of this report.

### **The City as Trustee**

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents the City's progress in funding its obligation to provide pension benefits to its employees and the budget-to-actual financial comparisons for the General Fund. The City has elected to present this information within the basic financial statement and financial statement sections of the report. Note 10 and Note 11 provides detailed analysis of City retirement plans.

All of the City's fiduciary activities are reporting distinctly in a separate Statement of Fiduciary Assets and Liabilities. These figures are not combined with other financial statements because the City cannot use these assets to finance present or future operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

As noted earlier, net position serves as an indicator of a government's financial position. In the case of the City of Manhattan Beach, net position totaled \$273,717,256 at June 30, 2022 versus \$203,004,566 at June 30, 2021 – an increase of \$70,712,690. The increase is primarily driven by the issuance of the Pension Obligation Bonds (POBs) in FY 2020-2021 which were used to pay down the net pension liability. The combination of the POBs and a 21.3% investment return from CalPERS in FY 2020-2021 resulted in a net pension asset in FY 2021-2022 of \$51,888,750 compared to a net pension liability of \$90,283,344 in the prior year.

Net position of the City's *Governmental* activities amounted to \$156,437,394 an increase from the prior year of \$65,270,973. On the table of Net Position below, \$105,850,112 is net investment in capital assets<sup>1</sup> such as land, buildings, machinery, infrastructure, equipment and other improvements; restricted net position of \$14,589,396 is equal to total of section 115 investment, restricted City capital projects and Special Revenue Fund resources restricted for debt service, capital projects, post-employment benefits, or for Special Revenue Fund resources that are subject to external restrictions on use. Governmental activities' unrestricted net position increased by \$67,910,652 from the prior year to \$35,997,886 primarily due to paying down of the City's unfunded liability and net pension asset recorded in FY 2021-2022. Significant components of non-current liabilities include 1) net City Plan pension liability of \$170,400; 2) net OPEB liability of \$4,861,472; 3) leases payable of \$1,095,503; 4) bonds payable totaling \$101,477,122; 5) accrued workers compensation and liability claims and judgments of \$7,030,500; and 6) accrued employee benefits of \$3,819,254.

Net position of the City's *Business-type* activities totaled \$117,279,862. This represents an increase from prior year of \$5,441,717. Net investments in capital assets (land, buildings, machinery, equipment, etc.) totals \$75,545,929, while \$390,867 is restricted for business improvement district use. Significant components of non-current liabilities include: 1) bonds payable totaling \$8,281,457; 3) net OPEB liability of \$197,482; and 4) accrued employee benefits of \$95,811. Business-type activities' unrestricted net position decreased by \$10,178,464 from the prior year to \$41,343,066, primarily driven by an increase of capital project activity.

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<sup>1</sup> Net investment in capital assets is calculated by taking total capital assets net of depreciation, less corresponding bonds and lease payable, less the balance of unamortized bond premium, plus deferred charges on refunding bonds.

**City of Manhattan Beach Net Position**

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 109,032,971	\$ 87,734,490	\$ 47,274,205	\$ 61,028,882	\$ 156,307,176	\$ 148,763,372
Total Capital Assets Net of Depreciation	127,221,756	121,837,168	82,667,386	67,906,519	209,889,142	189,743,687
Other Non-Current Assets	74,653,705	-	1,078,444	-	75,732,149	-
<b>Total Assets</b>	<b>\$ 310,908,432</b>	<b>\$ 209,571,658</b>	<b>\$ 131,020,035</b>	<b>\$ 128,935,401</b>	<b>\$ 441,928,467</b>	<b>\$ 338,507,059</b>
Deferred Charge on Refunding	\$ 305,782	\$ 337,970	\$ -	\$ -	\$ 305,782	\$ 337,970
Deferred Pension Related Items	67,059,708	109,089,874	144,100	2,222,890	67,203,808	111,312,764
Deferred OPEB Related Items	8,202,446	9,510,450	333,198	314,741	8,535,644	9,825,191
<b>Deferred Outflows of Resources</b>	<b>\$ 75,567,936</b>	<b>\$ 118,938,294</b>	<b>\$ 477,298</b>	<b>\$ 2,537,631</b>	<b>\$ 76,045,234</b>	<b>\$ 121,475,925</b>
Current Liabilities	\$ 33,524,729	\$ 28,903,178	\$ 4,788,851	\$ 8,184,583	\$ 38,313,580	\$ 37,087,761
Non-Current Liabilities	118,454,251	205,039,677	8,574,750	11,435,277	127,029,001	216,474,954
<b>Total Liabilities</b>	<b>\$ 151,978,980</b>	<b>\$ 233,942,855</b>	<b>\$ 13,363,601</b>	<b>\$ 19,619,860</b>	<b>\$ 165,342,581</b>	<b>\$ 253,562,715</b>
Deferred Leases Inflows	\$ 24,788,395	\$ -	\$ -	\$ -	\$ 24,788,395	\$ -
Deferred Pension Related Items	50,125,165	3,145,795	726,056	6,592	50,851,221	3,152,387
Deferred OPEB related items	3,146,434	254,881	127,814	8,435	3,274,248	263,316
<b>Deferred Inflows of Resources</b>	<b>\$ 78,059,994</b>	<b>\$ 3,400,676</b>	<b>\$ 853,870</b>	<b>\$ 15,027</b>	<b>\$ 78,913,864</b>	<b>\$ 3,415,703</b>
Net Investment in Capital Assets	\$ 105,850,112	\$ 110,223,781	\$ 75,545,929	\$ 59,896,315	\$ 181,396,041	\$ 170,120,096
Restricted	14,589,396	12,855,406	390,867	420,300	14,980,263	13,275,706
Unrestricted	35,997,886	(31,912,766)	41,343,066	51,521,530	77,340,952	19,608,764
<b>Total Net Position</b>	<b>\$ 156,437,394</b>	<b>\$ 91,166,421</b>	<b>\$ 117,279,862</b>	<b>\$ 111,838,145</b>	<b>\$ 273,717,256</b>	<b>\$ 203,004,566</b>

The City's total change in net position amounts to an increase of \$70,712,690. Governmental activities' total net position increased by \$65,270,973. Business-type activities' total net position increased by \$5,441,717.

The following table condenses the Government-wide Statement of Activities and Change in Net Position for the fiscal years ending June 30, 2022 and June 30, 2021:

**City of Manhattan Beach Changes in Net Position**

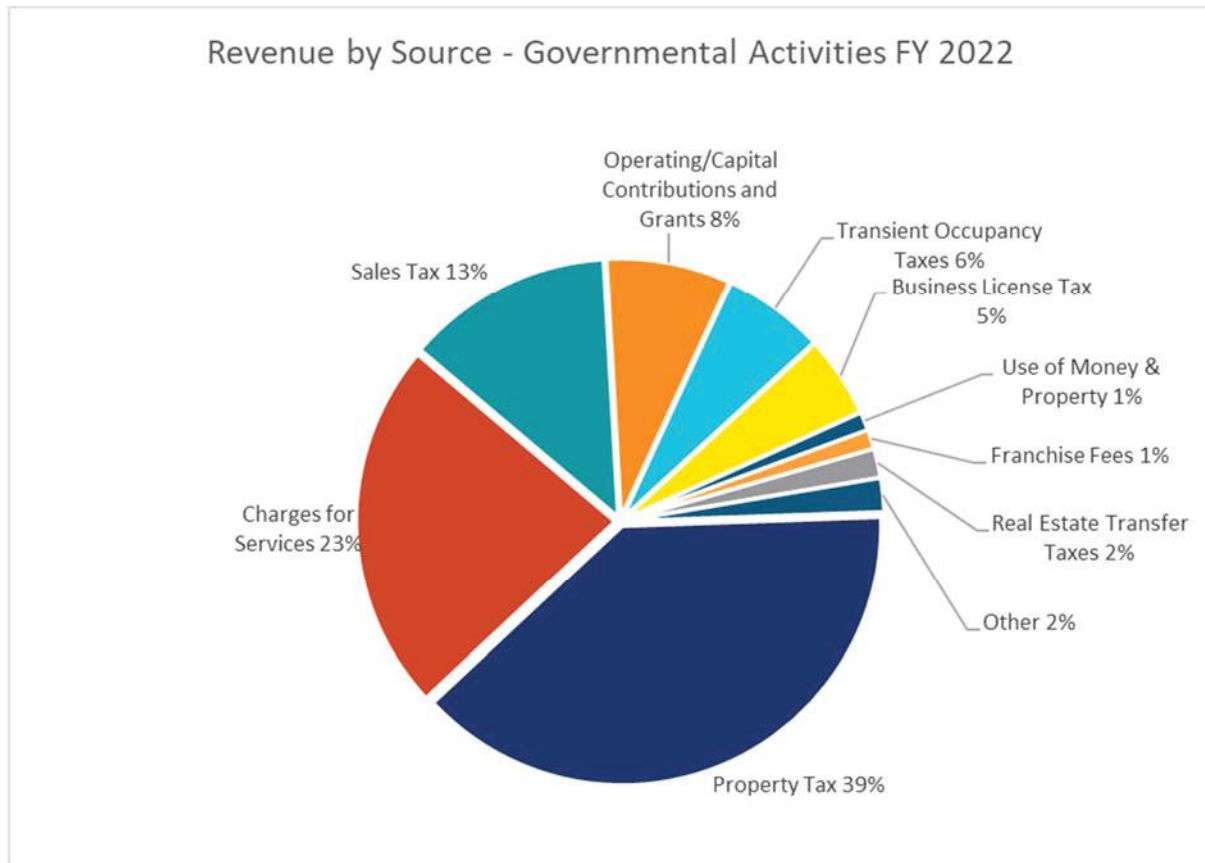
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program Revenues:						
Charges for Services	\$ 23,671,048	\$ 20,975,876	\$ 25,786,083	\$ 25,064,633	\$ 49,457,131	\$ 46,040,509
Operating Contributions and Grants	1,578,282	813,280	-	-	1,578,282	813,280
Capital Contributions and Grants	6,356,153	7,465,878	-	-	6,356,153	7,465,878
General Revenues:						
Property Taxes	39,491,986	37,598,821	-	-	39,491,986	37,598,821
Other Taxes	27,914,432	19,678,156	-	-	27,914,432	19,678,156
Use of Money and Property	1,150,538	2,481,570	(1,458,512)	(21,070)	(307,974)	2,460,500
Other	2,152,318	1,440,844	396,132	55,826	2,548,450	1,496,670
<b>Total Revenues</b>	<b>\$ 102,314,757</b>	<b>\$ 90,454,425</b>	<b>\$ 24,723,703</b>	<b>\$ 25,099,389</b>	<b>\$ 127,038,460</b>	<b>\$ 115,553,814</b>
Expenses:						
General Government	\$ 14,877,262	\$ 17,133,923	\$ -	\$ -	\$ 14,877,262	\$ 17,133,923
Public Safety	(8,739,663)	49,746,507	-	-	(8,739,663)	49,746,507
Public Works	17,978,786	26,157,349	-	-	17,978,786	26,157,349
Culture & Recreation	8,399,151	7,966,453	-	-	8,399,151	7,966,453
Interest on Long-Term Debt	2,877,188	678,619	-	-	2,877,188	678,619
Water, Waste, Storm	-	-	16,315,735	17,117,034	16,315,735	17,117,034
Parking	-	-	4,119,341	4,557,379	4,119,341	4,557,379
<b>Total Expenses</b>	<b>\$ 35,392,724</b>	<b>\$ 101,682,851</b>	<b>\$ 20,435,076</b>	<b>\$ 21,674,413</b>	<b>\$ 55,827,800</b>	<b>\$ 123,357,264</b>
Revenues Over Expenses	66,922,033	(11,228,426)	4,288,627	3,424,976	71,210,660	(7,803,450)
Special Items	-	(148,434)	-	148,434	-	-
Transfers In (Out)	(1,651,060)	421,631	1,651,060	(421,631)	-	-
<b>Increase (Decrease) in Net Position</b>	<b>\$ 65,270,973</b>	<b>\$ (10,955,229)</b>	<b>\$ 5,939,687</b>	<b>\$ 3,151,779</b>	<b>\$ 71,210,660</b>	<b>\$ (7,803,450)</b>
<b>Net Position - Beginning</b>	<b>\$ 91,166,421</b>	<b>\$ 105,834,753</b>	<b>\$ 111,838,145</b>	<b>\$ 108,735,487</b>	<b>\$ 203,004,566</b>	<b>\$ 214,570,240</b>
Restatement of Net Position	-	(3,713,103)	(497,970)	(49,121)	(497,970)	(3,762,224)
<b>Net Position - June 30 (Year End)</b>	<b>\$ 156,437,394</b>	<b>\$ 91,166,421</b>	<b>\$ 117,279,862</b>	<b>\$ 111,838,145</b>	<b>\$ 273,717,256</b>	<b>\$ 203,004,566</b>

**Changes in Net Position - Governmental Activities**

The City's governmental activities in FY 2021-2022 increased net position by \$65,270,973 compared to a decrease of \$14,668,332 in FY 2020-2021.

Total revenues increased by \$11,860,332, while total expenses decreased by \$66,290,127. Property taxes increased by \$1,893,165, other taxes such as sales and transient occupancy tax increased by \$3,203,358 and \$3,203,358, respectively. Charges for services increased by \$2,695,172 attributable to the reinstatement of enhanced services being provided after the pandemic shut down. The decrease in total expenses of \$66,290,127 is due to the pay down of the City's unfunded actuarial liability in the prior year. Salaries of \$38,292,878 and benefits of \$5,264,743 (excluding pension and workers compensation) were virtually flat. Materials and services were \$20,930,232, a decrease of \$1,201,628 compared to the prior year.

Total governmental activities revenue of \$102,314,757, excluding transfers-out of \$1,651,060, is broken out as follows:

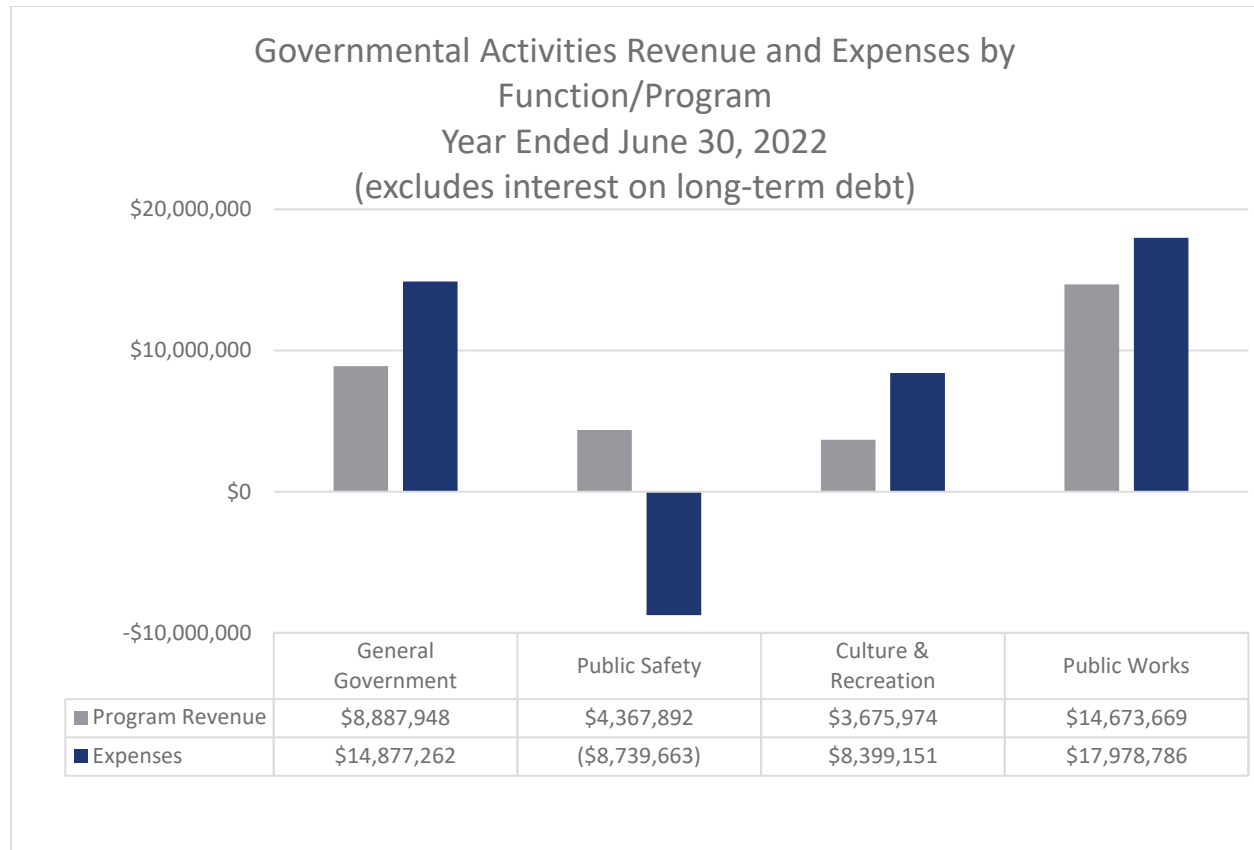


Functional expenses (excluding interest on debt) for the years ending June 30, 2022 and June 30, 2021 were as follows:

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government	\$14,877,262	\$17,133,923	(\$5,989,314)	(\$7,360,701)
Public Safety	(8,739,663)	49,746,507	13,107,555	(46,072,332)
Culture and Recreation	8,399,151	7,966,453	(4,723,177)	(5,862,450)
Public Works	17,978,786	26,157,349	(3,305,117)	(12,453,715)
<b>Total</b>	<b>\$32,515,536</b>	<b>\$101,004,232</b>	<b>(\$910,053)</b>	<b>(\$71,749,198)</b>

The total cost of services decreased from the prior year by \$68,488,696 (67.8%), while the net cost of services decreased by \$70,839,145 (98.7%) from the prior year. The decrease is primarily attributed to the pay down of the City's unfunded actuarial liability through the issuance of pension obligation bonds in FY 2020-2021 and a CalPERS net investment return of 21.3%. This resulted in \$45,950,552 of pension income that was allocated across the functional expenses. Total costs for Public Safety decreased by \$58,486,170, General Government decreased by \$2,256,661, Culture and Recreation increased by \$432,698, and Public Works decreased by \$8,178,563.

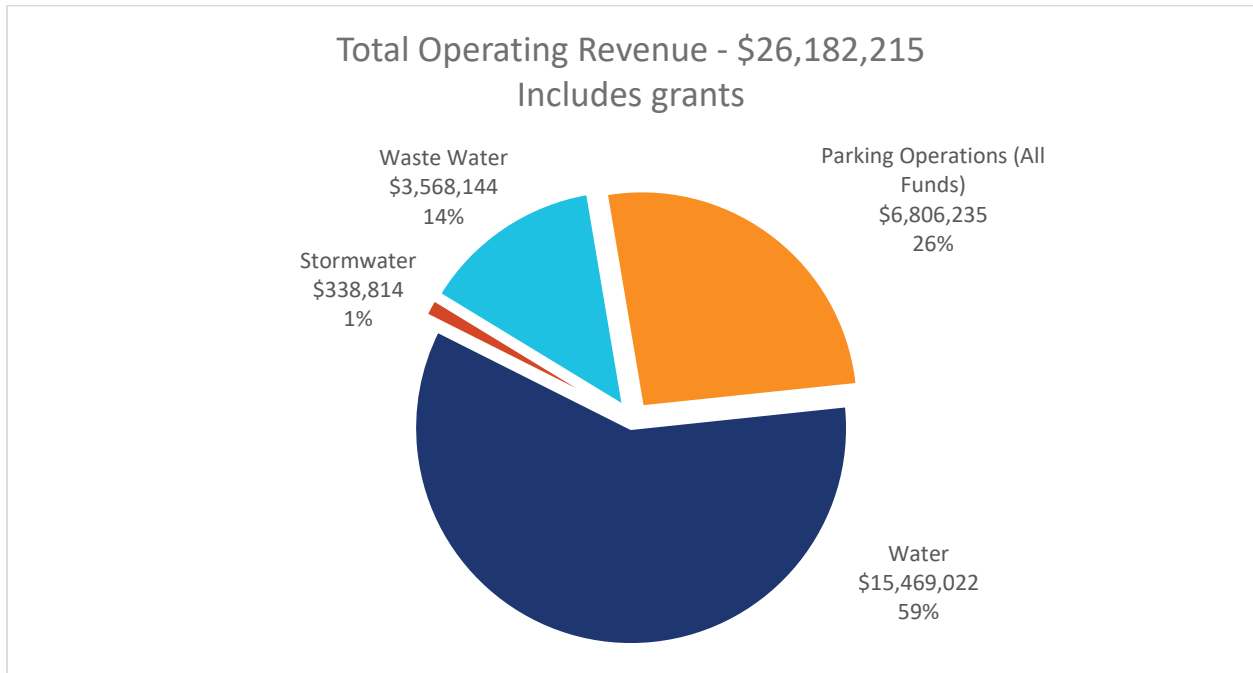
The following chart illustrates governmental revenues and expenses by function for the year ended June 30, 2022.



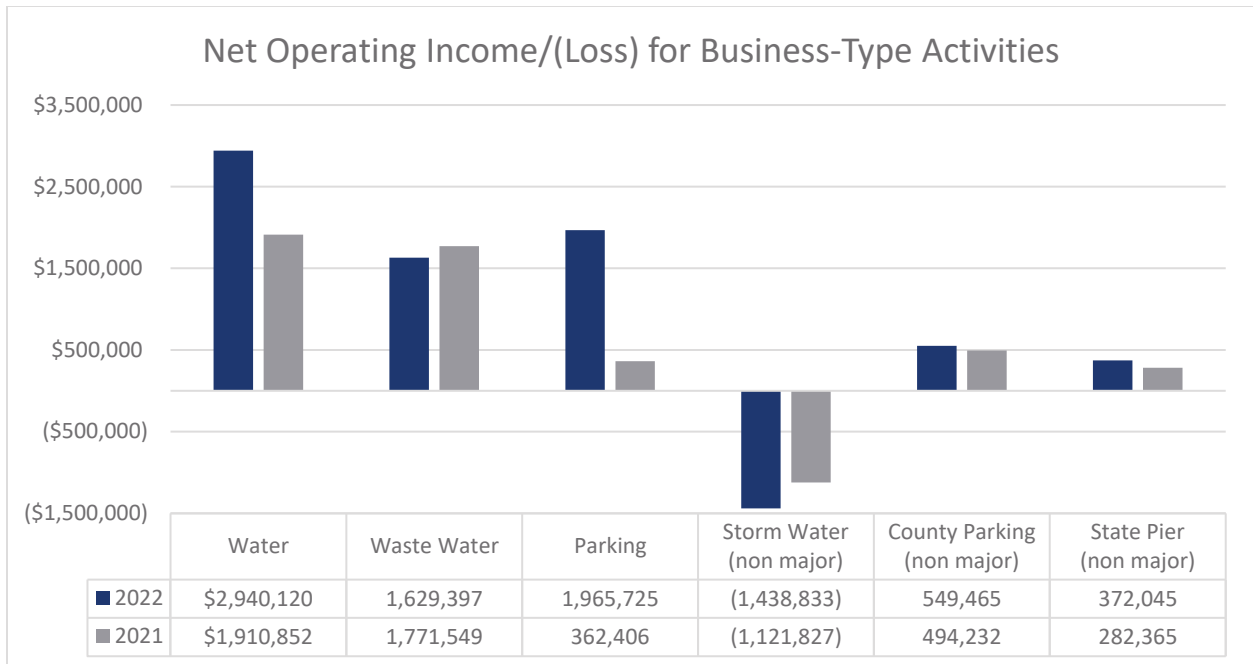
**Change in Net Position - Business Type Activities**

In fiscal year 2021-2022, total revenues for the City’s business-type activities amounted to \$24,723,703. Operating revenues totaled \$25,786,083 and interest revenues totaled negative \$1,458,512. Expenses totaled \$20,435,076 of which operating expenses equaled \$20,164,296, and non-operating expenses (including debt interest expense) totaled \$270,780. Total income from operations was \$6,017,919 while net income before transfers was \$4,288,627. After net transfers-in totaling \$1,651,060, net position increased by \$5,939,687 compared to an increase of \$3,003,345 in FY 2020-2021. The restatement of net position was due to a correction of prior year processor fee payments totaling negative \$497,970.

**Operating Revenues by Source - Business Type Activities FY 2022**



Operating Income varied across the business-type activities in FY 2021-2022. A year-over-year comparison is presented below. Further analysis of the major funds is discussed later in this report.



In recent years, GASB has released Statements 68, 74, 75, 87. These statements have a significant financial impact on the City's Financial Statements and in particular, the government-wide statements. Public agencies must recognize the net noncurrent liabilities (accrued liabilities less fiduciary assets) of pension plans and other postemployment benefit plans. Due to the magnitude of these net liabilities, the City's government-wide net position is significantly reduced. In addition, since these liabilities must be amortized over a fixed period of time, there will be an increase demand on future working capital. For this reason, the City issued POBs in May 2021.

#### *Accounting and Financial Reporting for Pensions - GASB 68*

Net pension asset \$51,888,750 is most significant due to its impact on the City's reported Net Position. Net position is comprised of three components - Net investment in capital assets, Restricted and Unrestricted. Governmental and Business-type activities' net position captures the corresponding share of net pension asset. In the case of Governmental activities (which absorb over 95% of pension expense for general government, public safety, public works and recreation employees), the result is a net pension asset of \$50,810,306. Net pension asset attributed to public safety for sworn employees is \$35,484,453. Due to the significantly smaller employee population in Business-type activities, these funds have a much smaller net pension asset of \$1,078,444. Because of the significant impact of pension liabilities on the City's financial status, a thorough explanation is included at the end under the section *Effect of Pension Activity on Net Position*.

#### *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions – GASB 74/75*

In FY 2017-2018, the City implemented the pronouncements of GASB 74 and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB). GASB 74 replaces the requirements for GASB 43 and 57. GASB 75 replaces the requirements for GASB 45. The purpose of GASB 74 and GASB 75 is to establish new accounting and financial reporting standards for OPEB that is provided to employees by state and local governments.

The City has a two retiree medical plans that fall under the definition of an OPEB plan under the criteria set by GASB 74/75. One is the City plan, which provides a fixed stipend to qualifying retirees until age 65. The other is a contribution to all retirees who enroll in the CalPERS medical plan as mandated by the Public Employee Medical and Hospital Care Act (PEMHCA).

The plans are financed by actuarially determined contributions and interest earnings. The funds are held in a Section 115 trust fund managed by California Employees' Retirement Benefit Trust (CERBT), which is under the CalPERS umbrella. There was a change of assumptions in FY 2020 regarding implied subsidy into the OPEB liability, which caused the City's funding status to change from super funded to having a net OPEB liability. This year, a higher discount rate caused a significant decrease in total OPEB liability of \$19,203,210 to \$17,850,316. Taking into account the deferred outflows and inflows related to the net OPEB liability, the City recognized an OPEB expense of \$1,108,336.

As of the valuation date, current plan fiduciary net position totaled \$12,791,362 and the total OPEB liability totaled \$17,850,316, resulting in a net OPEB liability of \$5,058,954 government-wide. The Governmental Activities share of net OPEB liability was \$4,861,472 and the Business-Type Activities reported a net OPEB liability of \$197,482.

Please refer to Note 12 for more information on the post-employment benefit plans.



## FUND FINANCIAL STATEMENTS

### Governmental Funds

As of the end of the 2022 fiscal year, the City's governmental funds ending fund balances totaled \$63,915,185, an increase of \$14,076,350 (28.2%) in comparison with the prior year.

Within the Governmental Funds total, \$36,823,324 (57.6%) constitutes unassigned fund balance. The unassigned fund balance exists only in the General Fund. The remainder of the fund balance (\$27,091,861) is non-spendable, restricted or committed indicating these funds are not available for new spending because it has already been committed for on-going capital projects, advanced to other funds for legally restricted use, long term notes receivable, or for legally-required debt service reserves.

Notwithstanding Governmental Accounting Standards Board (GASB) pronouncements, the City Council has established earmarks within the unassigned category for working capital and budgetary capital planning initiatives. Of the \$36.8 million unassigned governmental fund balance noted above, \$19.5 million has been designated by City Council policy.

#### *General Fund*

The General Fund is the chief operating fund of the City of Manhattan Beach. At the end of the 2021-22 fiscal year, unassigned fund balance of the General Fund was \$36,823,324 while total fund balance was \$39,817,477. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5.6 months of total General Fund expenditures, while total fund balance represents 6.1 months of General Fund expenditures.

During the year, General Fund revenues exceeded expenditures by \$11,039,101. The non-spendable portion of fund balance increased \$213,396 from the prior year due to the addition of leases receivable and increases in inventory and prepaid costs. The increase in fund balance of \$7,206,576 was primarily due to various revenue increases that exceeded conservative budget estimates resulting from COVID-19.

Net transfer activity of negative \$3,832,525 were due to the following transfers:

- \$2,183,688 was transferred to the Stormwater Fund to relieve a deficit fund balance due to operations.
- \$532,628 of excess revenues from the County Parking Lot Fund was transferred to the General Fund in line with the contract with the County of Los Angeles.
- \$1,400,000 was transferred to the Safety and Civic Center Construction fund for the Fire Station No. 2 reconstruction project.
- \$113,869 was transferred to the Street Lighting Fund to relieve a deficit fund balance.
- \$492,596 of the Pension Obligation Bond savings and \$175,000 was transferred to the Capital Improvement fund to provide funding for capital projects.

Please see Note 4 for more information.

#### *Other Governmental Funds*

The Gas Tax Fund had total revenues of \$2,650,928. These revenues are dedicated to street maintenance as well as street infrastructure projects. Gas Tax Fund expenditures totaled \$1,760,945 for maintenance projects such as street resurfacing and improvements.

The Street Lighting Fund continues to run deficits each year. For FY 2021-2022, expenditures exceeded revenues by \$82,504. Since there is no fund balance to draw upon, the General Fund contributes the entire amount to make up for the deficit in the Street Lighting Fund. These contributions will be necessary until a Proposition 218 assessment vote is successful in raising the assessment rates and revenues. In fiscal year 2021-2022 \$113,869 was transferred in providing an ending fund balance of \$101,364 for future extraordinary expenditures.

Other non-major governmental funds include all Special Revenue funds use exclusively to account for intergovernmental and assessment proceeds, which are restricted in use by law. The funds within category include the Prop C and A funds, the Measure R, Measure M and Measure W funds, the AB2766 fund, the Asset Forfeiture fund and the Police Safety Grant fund. Monies received in these funds are primarily used for the maintenance of streets, parks, local transportation programs and the purchase of safety and fuel-efficient equipment.

Capital Project funds serve to plan and manage the construction and maintenance of non-enterprise projects which are funded through dedicated revenue sources and General Fund transfers. The City adopts a five-year capital project plan in which City Council priorities are planned. The Capital Improvement fund, Safety and Civic Center Construction fund and Underground Assessment District Fund are non-major funds covered in that City-wide plan.

At the end of fiscal year 2021-2022, total fund balance of \$12,224,799 in the Capital Project Funds was committed to capital projects.

A partial list of identified long-term project commitments at year-end includes:

- \$1.3 million for Annual Facilities Capital Maintenance Program
- \$2.9 million for the Senior and Scout House improvements
- \$2.0 million for the Polliwog Playground Park Facilities
- \$1.5 million for the School District Project
- \$1.0 million for various Right-of-Way projects

During Fiscal Year 2021-2022, the Capital Improvement Project Fund balance decreased by \$320,221 (5.2%). Total revenues of \$1,524,354 were up \$33,550 (2.3%). Current year revenues were offset by capital and maintenance expenditures of \$2,161,955 and debt service of \$1,120,542.

Of the \$1,524,354 in total revenues to the Capital Improvement Fund, certain dedicated revenues described below totaled \$1,520,708 in FY 2021-2022. The following revenues are earmarked for funding general government capital improvement projects in the effort to maintain and enhance City infrastructure:

**Hotel Tax:** 15% of the Transient Occupancy Tax has been dedicated to funding CIP's, generating \$878,554 in revenue for the year, which is \$458,177 (109%) above prior year levels as the City is recovering from pandemic-related impacts to the travel and tourism industries.

**Parking Meter Rates:** Fifty cents of the \$2.00 per hour on-street parking meter rates is dedicated to capital improvements. This source generated revenue of \$549,602 this fiscal year, up \$85,954 (18.5%) from the prior year.

**Parking Citation Rates:** Most parking citations include four dollars dedicated to the CIP fund. For FY 2021-2022, revenue of \$92,552 was realized; an increase of \$18,616 (25.2%) from the prior year.

Capital Improvement Fund expenditures totaled \$3,282,497. Capital outlay expenditures totaled \$1,928,409, operating expenditures of \$233,546, and debt service of \$1,120,542. Capital expenditures exceeding \$100,000 consisted of:

- \$373,322 – Facilities Improvements
- \$60,565 – Fire Station 2 Replacement Project
- \$312,835 – Street Projects
- \$385,278 – Polliwog Park Playground Resurfacing and Equipment Replacement Project
- \$1,352,659 – Other projects in design or construction including various facility projects and HVAC replacement projects.

### *Underground Assessment District Fund*

In fiscal year 2019-20, residents in three district (19-4, 19-12, and 19-14) approved the undergrounding of utilities by a Proposition 218 ballot. As a result, the Manhattan Beach City Council authorized the issuance of bonds to finance the Utility Underground Project in these three assessment districts. Bond assessments are paid by homeowners over a period of 20-years through the annual consolidated property tax bill.

Bond proceeds and payoffs totaled \$18,573,325 was received in FY 2019-20 to fund the project and will be drawn down upon as the project progresses. In FY 2021-2022, negative revenues of \$85,862 were reported due to negative investment returns and expenditures totaled \$2,026,927, resulting in an ending fund balance of \$2,122,303.

### **Proprietary Funds**

The City's proprietary funds consist of enterprise funds and internal service funds. The enterprise funds include Water, Wastewater and Parking Funds (major funds), as well as Stormwater and both the County and State Pier & Parking Lot Funds (which are considered non-major). Internal service funds include Insurance Reserve, Information Technology, Fleet Management and Building Maintenance and Operations.

### *Enterprise (Business) Funds*

At year-end, total net position of all enterprise funds amounted to \$117,279,862. Net investment in capital assets totaled \$75,545,929 and \$390,867 is restricted for a business improvement district. The balance of \$41,343,066 is unrestricted net position. This presentation mirrors the statement of net position of Business Type Activities included in the Government-wide Financial Statements section.

Overall, the combined net income of enterprise funds was \$4,288,627 before transfers. Operations resulted in a \$5,939,687 increase in net position. Transfer activity included a net transfer-out of \$532,628 from the County Parking Lots Fund to the General Fund. Also included in the transfer activity was a net transfer-in off \$2,183,688 to the Stormwater fund from the General Fund.

Several enterprise funds are worth noting:

- The Water Fund has been utilizing its reserves for planned capital improvements needed to sustain the utility's operation and infrastructure. Net income from operations totaled \$2,940,120, an increase from the prior year which had net operating income of \$1,910,852. Revenue from sales decreased by 1.5%, while operating expenses (labor, materials, services, etc.) decreased by 9.2% due to more projects qualifying for capitalization rather than regular repairs and maintenance. Accumulated fund balances provide resources for planned capital improvements to the utility's infrastructure, estimated at \$36.8 million over the next five years. Fund balance is expected to decrease in FY 2022-2023 due to the anticipated completion of the Peck Reservoir project which has a remaining project balance of \$14.8 million at the end of FY 2021-2022.
- The Wastewater fund net operating income for FY 2021-2022 was \$1,629,397 versus \$1,771,549 in FY 2020-2021, a decrease of \$142,152, or 8.0%. Operating revenues were relatively flat compared to the prior year while operating expenses increased \$105,395 or 5.7%. It is important to note that Wastewater revenues are based on water consumption, and increases or decreases in consumption due to water conservation efforts also impact Wastewater revenues.
- The Parking Fund net operating income for FY 2021-2022 was \$1,965,725, up \$1,603,319 or 442.4% from the prior year. Operating revenue increased \$1,291,856, up 39.6% compared to the prior year, due to an increase in street parking meter rates in September 2020. Total operating expenses of \$2,588,040 were down \$311,463 or 10.7% from the prior year due to decreased materials and service expenses. Total increase in net position for FY 2021-2022 was \$1,718,882 while unrestricted net position is \$1,940,018. Future capital improvement projects as well debt service on bond principal will require an increase in cash flow.

- The Stormwater Fund net operating loss in FY 2021-2022 totaled \$1,438,833. This loss is a continuation of prior year net losses in FY 2020-2021 (\$1,121,827), FY 2019-2020 (\$703,035), FY 2018-2019 (702,283), FY 2017-2018 (\$1,307,998), FY 2016-2017 (\$656,955), FY 2015-16 (\$771,508), FY 2014-2015 (\$424,468), FY 2013-2014 (\$420,831), and FY 2012-2013 (\$57,093). The combination of fixed assessments (that have remained unchanged since 1996) and rising costs currently requires a General Fund cash subsidy. The General Fund transferred \$2,183,688 in FY 2021-2022 to relieve the operational deficit and fund necessary capital improvements in addition to \$1,317,480 in FY 2020-2021 and \$298,337 in FY 2019-2020. Unrestricted net position is \$2,556,998. Additional capital improvements due to legislative mandates will also result in increased costs in the near future. Ongoing transfers from the General Fund will be necessary. A Proposition 218 assessment vote will be necessary to properly fund operations in the long run.

*Internal Service Funds*

Total net position of the Internal Service Funds was \$7,997,129. Unrestricted net position of the internal service funds at the end of the year was \$4,596,381, the difference of \$3,400,748 being Fleet Management Fund vehicles net of depreciation. Total net position increased by \$3,378,289 primarily due to the increase in insurance recoveries collected in FY 2021-2022.

The Insurance Fund net position at year-end was \$1,440,962, compared to negative \$1,684,443 in the prior year. Net position increased since revenues exceeded expenses by \$3,130,405. The increase in revenues was driven by the insurance recovery of claims over the self-insured retention. Claims expense increased by \$3,660,711 to \$9,648,523. For comparison, prior year workers compensation and liability paid claims expense are below:

FY 2021-2022	\$9.60 million
FY 2020-2021	5.74 million
FY 2019-2020	5.65 million
FY 2018-2019	5.10 million
FY 2017-2018	8.08 million
FY 2016-2017	6.35 million
FY 2015-2016	6.66 million
FY 2014-2015	6.56 million
FY 2013-2014	5.17 million
FY 2012-2013	3.77 million
FY 2011-2012	4.96 million

The unpredictable nature of workers compensation and liability claims activity causes these fluctuations in claims expense from year to year. The City continually looks for ways to proactively manage risk and reduce these costs.

Net position in the Fleet Fund increased by \$424,410, to \$6,812,868. Capital purchased totaled \$232,492 in FY 2021-2022. Accumulated working capital will be used for the purchase of large vehicles such fire trucks as well as maintenance trucks and police vehicles.

Net position in the Building Maintenance and Operations Fund is negative \$512,876 due to the Pension Obligation Bonds (POB) Payable of \$662,205 and Net OPEB liability of \$82,284. The negative net position will be relieved by increased charges to user departments, which will be used to pay down liabilities. Even with issuance of POBs, it will take an indefinite amount of years to relieve negative net position short of modifying the method of charge outs, for example, adding a surcharge to maintenance charges or transfer from the General Fund.

The Information Systems Fund has a net position of \$256,175. Net OPEB liability totals \$125,073. The operating expenditure is offset by departmental charge-outs borne primarily by the General Fund.

## General Fund Budgetary Highlights

### *Estimated and Actual Revenues*

General Fund revenues were estimated at \$82,557,754 in the FY 2021-2022 Adopted Budget. Subsequent budget changes were due to the following amendments:

- \$51,789 Homeland Security Grant
- \$150,000 Local Early Advanced Planning (LEAP) Grant awarded for the City's General Plan housing element update and environmental documentation
- \$ 230,519 in Measure H and E County grant funding
- \$50,000 in police grant funding

Actual General Fund Revenues of \$89,692,124 (excluding transfers) exceeded the final budget of \$83,040,062 by \$6,652,062 due to conservative budgeting in FY 2021-2022.

Revenues other than property tax that are driven by the economy such as sales tax, transient occupancy tax (TOT) and recreation programs are almost fully recovered from the economic slowdown resulting from the pandemic. TOT and sales tax exceeded the budget by \$1,308,291 and \$1,556,612, respectively. Use of Money and Property underperformed the budget by \$1,894,818 mainly due to the required "mark to mark" or fair value investment reporting loss of \$1,813,587. Fines and Forfeitures outperformed the final budget by \$328,731 mainly due to higher parking citation revenue.

### *Appropriations and Expenditures*

The General Fund adopted budget included \$77,894,972 in appropriations. The final amended General Fund appropriations budget increased overall to \$80,112,454 due to several budget adjustments including the carry forward of prior year encumbrances and budget adjustments approved by City Council as follows:

- \$1,772,937 for various contract services
- \$150,000 for the election of the "MB Citizens for Schools" Measure
- \$32,642 for additional materials and supplies
- \$174,073 for capital project and purchases
- \$50,000 towards Public Safety special details funded by awarded grants

Overall, revenue exceeded expenditures (excluding transfers) by \$38,269,698. When accounting for the net transfers out of \$3,657,525, the net change in fund balance is \$7,381,576. The ending fund balance was \$39,992,477 and should provide sufficient liquidity to meet General Fund expenditures in fiscal year 2022-23.

## Capital Asset and Debt Administration

**Capital Assets:** Government-wide, the City's investment in capital assets (net of accumulated depreciation) as of June 30, 2022 is \$209,889,142. This is an increase from the prior year of \$20,155,455. This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, furniture and other equipment.

**City of Manhattan Beach Capital Assets**  
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$33,634,565	\$33,634,565	\$2,607,434	\$2,607,434	\$36,241,999	\$36,241,999
Buildings	28,582,625	29,437,243	15,078,726	15,078,724	43,661,351	44,515,967
Machinery & Equipment	1,373,843	1,610,478	1,813,118	554,376	3,186,961	2,164,854
Vehicles	3,168,256	3,975,755	-	-	3,168,256	3,975,755
Infrastructure	46,338,412	43,154,939	29,681,972	30,771,396	76,020,384	73,926,335
Invested in Joint Venture (RCC)	1,971,505	2,079,864	-	-	1,971,505	2,079,864
Right-To-Use Assets	2,053,243	-	-	-	2,053,243	-
Work in Progress	10,099,307	7,944,324	33,486,136	18,894,589	43,585,443	26,838,913
<b>Total</b>	<b>\$127,221,756</b>	<b>\$121,837,168</b>	<b>\$82,667,386</b>	<b>\$67,906,519</b>	<b>\$209,889,142</b>	<b>\$189,743,687</b>

*Governmental*

Capital assets additions totaled \$7,290,984 for projects in progress and \$3,232,871 for capital purchases for a total capital asset addition of \$10,523,855. This increase was offset by accumulated depreciation of \$5,100,708 and net deletions of \$38,559, resulting in a net increase in assets of \$5,384,588.

*Business-type*

During the fiscal year, Business-type capitalized net expenditures totaled \$16,102,488 for projects in progress. This increase was offset by depreciation of \$1,341,621, resulting in a net increase in assets of \$14,760,867.

Please refer to Note 6 for additional information on the City's capital assets.

**Long-Term Liabilities:** Total long-term liabilities Citywide (excluding unamortized bond premiums) equal \$136,533,592, an increase of \$3,191,496 from fiscal year 2020-21. The variance was due to the issuance of Certificate of Participation Bonds to fund the Fire Station No. 2 project and to refund the Metlox COPs of \$7,440,000 and \$5,925,000, respectively, a decrease in insurance claim reserves of \$249,389 (principally workers compensation), a decrease in accrued leave \$184,419 and an increase in leases payable as a result of implementing GASB Statement No. 87. Governmental liabilities increased by \$5,024,427 while business type liabilities decreased by \$1,832,931. The following table is a condensation of Note 7, Note 8 and Note 14.

**City of Manhattan Beach Outstanding Liabilities (Excluding Bond Premium)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Marine Avenue Park Refunding COPs	\$4,410,000	\$4,730,000	-	-	\$4,410,000	\$4,730,000
Capital Equipment Lease	-	-	-	-	-	-
Police & Fire Facility Refunding COPs	6,090,000	6,635,000	-	-	6,090,000	6,635,000
2021 Fire Station No. 2 COPs	7,335,000	-	-	-	7,335,000	-
Leases Payable	2,090,304	-	-	-	2,090,304	-
Accrued Employee Leave & Benefits	4,652,548	4,839,426	116,715	114,256	4,769,263	4,953,682
Metlox and Water/Wastewater Refunding COPs	-	-	-	1,195,000	-	1,195,000
Metlox Parking Refunding COPs	-	-	-	6,500,000	-	6,500,000
2021 Refunding COPs	-	-	5,925,000	-	5,925,000	-
Pension Obligation Bonds	86,288,700	89,388,310	1,821,300	1,886,690	88,110,000	91,275,000
Insurance Claim Reserves	17,804,025	18,053,414	-	-	17,804,025	18,053,414
<b>Total Long Term Liabilities</b>	<b>\$128,670,577</b>	<b>\$123,646,150</b>	<b>\$7,863,015</b>	<b>\$9,695,946</b>	<b>\$136,533,592</b>	<b>\$133,342,096</b>
Current portion of Long Term (due within one year)	17,099,844	15,696,923	682,204	790,932	17,782,048	16,487,855
<b>Long Term Liabilities - Non Current</b>	<b>\$111,570,733</b>	<b>\$107,949,227</b>	<b>\$7,180,811</b>	<b>\$8,905,014</b>	<b>\$118,751,544</b>	<b>\$116,854,241</b>

Principal obligations for existing long-term bonded debt were reduced in accordance with existing debt service schedules. For the details regarding components of long-term liabilities including debt service schedules, please refer to Note 7.

Ongoing claims in Insurance Claim Reserves are due to liability and workers compensation claims. The decrease of \$249,389 is due to offsetting claim reserve activity. Workers' compensation claim reserves decreased by \$327,254 while liability reserves increased by \$77,865.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.75% of its total assessed valuation. The current debt limitation for the City of Manhattan Beach (fiscal year 2021-2022) is \$832 million.

## **EFFECT OF PENSION ACTIVITY ON NET POSITION**

The City contracts with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all full time employees and qualified part time employees. City plans cover qualified miscellaneous and safety employees as further described in Note 10.

The implementation of GASB 68 in fiscal year 2014-15 fundamentally changed the presentation of financial statements. Public agencies are required to recognize net pension liabilities (NPL), which are equal to the gross pension liability less fiduciary assets. Further, public agencies rely on CalPERS to provide valuations of these pension-related fiduciary assets and liabilities. Due to the timing of CalPERS reports, the measurement date for the City's retirement reporting lags by one year.

CalPERS makes actuarial assumptions and projections regarding the population of employees such as salary progression, expected date of retirement, mortality, turnover and, most importantly, the rate of return on investments. With this information, CalPERS actuaries determine the accrued pension liability. CalPERS also determines the value of its fiduciary net position (cash and investments). Ideally, the difference between the accrued pension liability and fiduciary net position would be zero. However, in recent years, CalPERS actual results have deviated significantly from assumptions and investment return projections.

It is fundamental to keep in mind that pension results presented in any year's ACFR, is based on a measurement date as June 30, prior year. Therefore, measurement date for this year's ACFR is June 30, 2021.

The City issued Pension Obligation Bonds in FY 2020-2021, which converted the City's previously reported net pension liability to a bonds payable. Additionally, the CalPERS investment returns during measurement period 2020-2021 was approximately 21.3% resulting in a net pension asset as of June 30, 2022 of \$51,888,750 (using the latest available measurement date as of June 30, 2021). To compare, the City's CalPERS plans as of June 30, 2021 (using a measurement date as of June 30, 2020) was liability of \$90,283,344 – a difference of \$142,172,094.

The City's pension income was \$45,950,552 million in FY 2021-2022 (based on the measurement date of June 30, 2021) due to recognized (Fiscal 2021 measurement) City Contributions (normal and amortization) of \$100,774,019 million, changes in net deferrals of negative \$91,807,790 million and decrease to NPL of \$142,172,094. The City's contribution (deferred) to CalPERS in FY 2021-2022 was \$4.4 million, compared to \$100.8 million in FY 2020-21. Contributions in FY 2022-2023 are budgeted at \$4.7 million. The decrease in future contributions is due to the City issuing pension obligations bonds which replaces the pension liability payments to CalPERS.

Note 10 provides a breakdown by group (Miscellaneous and Public Safety) and other relevant information. Of particular importance is the sensitivity analysis table indicating outcomes of changes to CalPERS assumed discount rate. For the measurement year ending June 30, 2021, the discount used for measurement purposes was 7.15%. As indicated in the sensitivity analysis table, any reduction in the discount rate leads to an increased net pension liability as well as greater current service costs. The City recognizes these rising costs and is consistently working on mitigating impacts to City services. This is disclosed in Note 10 as a subsequent event to the actuarial methods and assumption.

In May 2021, the City has issued pension obligations bonds (POBs), which virtually eliminated unfunded liability by replacing it with bonded debt. The decision to issue POBs was made based on (1) an escalating amortization table that would incrementally increase NPL payments up to \$4 million annually in the next 10 years, (2) historically low interest rates, and (3) a CalPERS discount rate of 7.15%. By issuing the POBs, the City was able to finance 100% of the current NPL at a true interest cost of 2.72%, 4.43% lower than the CalPERS discount rate. Moreover, the POBs allow the City to budget debt service payments at a level of \$5.5 million annually rather than trying to balance the budget for escalating NPL payments that will eventually rise up to \$10 million by 2032. While there is little effect to the City's net position in the short term, the POBs are estimated to save the City \$43.5 million in NPL payments over the next 25 years.

Notwithstanding the issuance of POBs and strong current year return, managing future pension costs and meeting retirement obligations remain one of the City's biggest challenges. Over 95% of retirement costs are attributable to the City's Governmental Funds and growing pension costs have the potential to crowd out other funding needs. The City has therefore developed an Unfunded Pension Liability Policy to provide a guideline on addressing future NPL. Future pension costs and liabilities will be monitored continuously and addressed so that it does not grow substantially.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

In June 2022, the City Council adopted the budget for FY 2022-2023. The original budget estimates General Fund revenues at \$86,669,227 (compared to FY 2021-2022 at \$82,260,057) and expenditures of \$85,275,151 (compared to FY 2021-2022 at \$77,698,292), resulting in an anticipated surplus of \$1,394,076 in FY 2022-2023. The anticipated surplus is primarily comprised of projected increased revenues from property tax and transient occupancy tax.

Of the City's major General Fund revenue sources, the single biggest revenue source, property tax, has been unaffected by the pandemic due to high demand and low inventory. Property tax, which outperformed budget in FY 2021-2022, is expected to increase in FY 2022-2023 by 3.9% over the FY 2021-2022 actuals. Sales tax is projected to increase 3.0% from the FY 2020-2021 actuals. Transient Occupancy Taxes is projected to increase 16.0% as the resurgence in travel and tourism continues after the pandemic.

General Fund budgeted expenditures are higher by \$7,576,859 compared to fiscal year 2021-2022 budget primarily due to increases in contract services, departmental supplies, and adjustments for inflation. Budgeted salaries (\$37,057,502) increased by \$1,639,846 compared to the FY 2021-2022 budget, while employee benefits (\$13,860,979) decreased by \$261,528 due to the issuance of POBs which transferred the pension liability payments into debt service payments. Materials and services (\$18,345,318) are higher by \$4,869,426 due to reinstating several cost cutting measures implemented during the pandemic to balance the budget.

The City continues its focus on capital improvements. Expenditures of \$149.8 million (including carryover projects) are planned over the next five years for utility, street and facility projects. \$85.1 million of that amount is for water, wastewater, and stormwater projects, but this does not include future mandated improvement projects under the federal National Pollution Discharge Elimination System (NPDES). Approximately \$38.2 million has been budgeted for street and roadway needs as well as, \$16.4 million for general facilities (including parking facilities). These projects will ensure continued functionality of vital systems, traffic flow and community facilities.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the financial position of the City of Manhattan Beach for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 1400 Highland Avenue, Manhattan Beach, California 90266.





# GOVERNMENT-WIDE FINANCIAL STATEMENTS





CITY OF MANHATTAN BEACH  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and investments	\$ 91,313,830	\$ 45,487,881	\$ 136,801,711
Receivables:			
Accounts	624,882	1,235,378	1,860,260
Taxes	4,741,461	-	4,741,461
Accrued interest	447,369	-	447,369
Grants	64,860	-	64,860
Leases	1,145,060	-	1,145,060
Prepaid costs	13,585	-	13,585
Due from other governments	7,249,014	-	7,249,014
Due from OPEB Trust Fund	362,642	-	362,642
Inventories	106,650	381,406	488,056
Restricted assets:			
Cash and investments	1,603,036	-	1,603,036
Cash with fiscal agent	1,360,582	169,540	1,530,122
<b>Total Current Assets</b>	<b>109,032,971</b>	<b>47,274,205</b>	<b>156,307,176</b>
Leases receivable	23,843,399	-	23,843,399
Net pension asset - PERS	50,810,306	1,078,444	51,888,750
Capital assets not being depreciated	43,733,872	36,093,570	79,827,442
Capital assets, net of depreciation	83,487,884	46,573,816	130,061,700
<b>Total Noncurrent Assets</b>	<b>201,875,461</b>	<b>83,745,830</b>	<b>285,621,291</b>
<b>Total Assets</b>	<b>310,908,432</b>	<b>131,020,035</b>	<b>441,928,467</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	305,782	-	305,782
Deferred pension related items	67,059,708	144,100	67,203,808
Deferred OPEB related items	8,202,446	333,198	8,535,644
<b>Total Deferred Outflows of Resources</b>	<b>75,567,936</b>	<b>477,298</b>	<b>76,045,234</b>
<b>Liabilities:</b>			
Accounts payable	4,334,613	3,180,960	7,515,573
Accrued liabilities	3,521,141	540,043	4,061,184
Accrued payroll	962,139	-	962,139
Accrued interest	247,131	161,292	408,423
Unearned revenue	2,694,174	-	2,694,174
Deposits payable	4,765,211	224,352	4,989,563
Long-term liabilities due within one year:			
Leases payable	994,801	-	994,801
Bonds payable	4,398,700	661,300	5,060,000
Accrued employee benefits	833,294	20,904	854,198
Accrued workers comp/liability claims and judgments	10,773,525	-	10,773,525
<b>Total Current Liabilities</b>	<b>33,524,729</b>	<b>4,788,851</b>	<b>38,313,580</b>
Noncurrent liabilities:			
Long term liabilities due in more than one year			
Leases payable	1,095,503	-	1,095,503
Bonds payable	101,477,122	8,281,457	109,758,579
Accrued employee benefits	3,819,254	95,811	3,915,065
Accrued workers comp/liability claims and judgments	7,030,500	-	7,030,500
Total pension liability - City Plans	170,400	-	170,400
Net OPEB liability	4,861,472	197,482	5,058,954
<b>Total Noncurrent Liabilities</b>	<b>118,454,251</b>	<b>8,574,750</b>	<b>127,029,001</b>
<b>Total Liabilities</b>	<b>151,978,980</b>	<b>13,363,601</b>	<b>165,342,581</b>
<b>Deferred Inflows of Resources:</b>			
Deferred leases inflows	24,788,395	-	24,788,395
Deferred pension related items	50,125,165	726,056	50,851,221
Deferred OPEB related items	3,146,434	127,814	3,274,248
<b>Total Deferred Inflows of Resources</b>	<b>78,059,994</b>	<b>853,870</b>	<b>78,913,864</b>
<b>Net Position:</b>			
Net investment in capital assets	105,850,112	75,545,929	181,396,041
Restricted for:			
Public safety	549,448	-	549,448
Recreation	688,527	-	688,527
Public works	283,245	-	283,245
Capital projects	10,351,689	-	10,351,689
Debt service	1,113,451	-	1,113,451
Pension benefits	1,603,036	-	1,603,036
Business improvement districts	-	390,867	390,867
Unrestricted	35,997,886	41,343,066	77,340,952
<b>Total Net Position</b>	<b>\$ 156,437,394</b>	<b>\$ 117,279,862</b>	<b>\$ 273,717,256</b>

CITY OF MANHATTAN BEACH

STATEMENT OF ACTIVITIES  
JUNE 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 14,877,262	\$ 8,737,206	\$ 150,742	\$ -
Public safety	(8,739,663)	4,145,094	222,798	-
Culture and recreation	8,399,151	3,675,974	-	-
Public works	17,978,786	7,112,774	1,204,742	6,356,153
Interest on long-term debt	2,877,188	-	-	-
<b>Total Governmental Activities</b>	<b>35,392,724</b>	<b>23,671,048</b>	<b>1,578,282</b>	<b>6,356,153</b>
Business-Type Activities:				
Water	12,575,813	15,108,592	-	-
Stormwater	1,780,079	336,494	-	-
Wastewater	1,959,843	3,556,257	-	-
Parking	2,786,561	4,532,825	-	-
County Parking Lot	790,829	1,339,384	-	-
State Pier and Parking Lot	541,951	912,531	-	-
<b>Total Business-Type Activities</b>	<b>20,435,076</b>	<b>25,786,083</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 55,827,800</b>	<b>\$ 49,457,131</b>	<b>\$ 1,578,282</b>	<b>\$ 6,356,153</b>

**General Revenues:**

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Real estate transfer taxes
- Use of money and property
- Other

**Transfers**

**Total General Revenues and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

**Net Position at End of Year**

<b>Net (Expenses) Revenues and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (5,989,314)	\$ -	\$ (5,989,314)
13,107,555	-	13,107,555
(4,723,177)	-	(4,723,177)
(3,305,117)	-	(3,305,117)
(2,877,188)	-	(2,877,188)
<b>(3,787,241)</b>	<b>-</b>	<b>(3,787,241)</b>
-	2,532,779	2,532,779
-	(1,443,585)	(1,443,585)
-	1,596,414	1,596,414
-	1,746,264	1,746,264
-	548,555	548,555
-	370,580	370,580
-	<b>5,351,007</b>	<b>5,351,007</b>
<b>(3,787,241)</b>	<b>5,351,007</b>	<b>1,563,766</b>
39,491,986	-	39,491,986
6,464,049	-	6,464,049
13,217,943	-	13,217,943
1,217,755	-	1,217,755
5,175,626	-	5,175,626
1,839,059	-	1,839,059
1,150,538	(1,458,512)	(307,974)
2,152,318	396,132	2,548,450
(1,651,060)	1,651,060	-
<b>69,058,214</b>	<b>588,680</b>	<b>69,646,894</b>
65,270,973	5,939,687	71,210,660
91,166,421	111,838,145	203,004,566
-	(497,970)	(497,970)
<b>\$ 156,437,394</b>	<b>\$ 117,279,862</b>	<b>\$ 273,717,256</b>



# FUND FINANCIAL STATEMENTS





CITY OF MANHATTAN BEACH

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Pooled cash and investments	\$ 37,868,891	\$ 28,357,273	\$ 66,226,164
Receivables:			
Accounts	595,533	27,899	623,432
Taxes	4,658,761	82,700	4,741,461
Accrued interest	447,369	-	447,369
Grants	-	64,860	64,860
Leases	24,988,459	-	24,988,459
Prepaid costs	13,585	-	13,585
Due from other governments	4,517,215	2,731,799	7,249,014
Due from OPEB Trust Fund	362,642	-	362,642
Inventories	6,010	-	6,010
Restricted assets:			
Cash and investments	1,603,036	-	1,603,036
Cash and investments with fiscal agents	1,113,451	247,131	1,360,582
<b>Total Assets</b>	<b>\$ 76,174,952</b>	<b>\$ 31,511,662</b>	<b>\$ 107,686,614</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,868,160	\$ 2,232,077	\$ 4,100,237
Accrued payables	2,570,720	881,335	3,452,055
Accrued payroll	962,139	-	962,139
Unearned revenues	1,289,032	1,403,515	2,692,547
Deposits payable	4,763,470	1,741	4,765,211
Interest payable	-	247,131	247,131
<b>Total Liabilities</b>	<b>11,453,521</b>	<b>4,765,799</b>	<b>16,219,320</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	115,559	2,648,155	2,763,714
Deferred leases inflows	24,788,395	-	24,788,395
<b>Total Deferred Inflows of Resources</b>	<b>24,903,954</b>	<b>2,648,155</b>	<b>27,552,109</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	6,010	-	6,010
Prepaid costs	13,585	-	13,585
Lease receivable	200,064	-	200,064
<b>Restricted for:</b>			
Public safety	-	549,448	549,448
Recreation	-	688,527	688,527
Public works	-	283,245	283,245
Capital projects	-	10,351,689	10,351,689
Debt service	1,113,451	-	1,113,451
Pension benefits	1,603,036	-	1,603,036
<b>Committed to:</b>			
Capital projects	-	12,224,799	12,224,799
<b>Assigned to:</b>			
Assigned to City retirement plans	58,007	-	58,007
<b>Unassigned</b>	<b>36,823,324</b>	<b>-</b>	<b>36,823,324</b>
<b>Total Fund Balances</b>	<b>39,817,477</b>	<b>24,097,708</b>	<b>63,915,185</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 76,174,952</b>	<b>\$ 31,511,662</b>	<b>\$ 107,686,614</b>

CITY OF MANHATTAN BEACH

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

Fund balances of governmental funds		\$ 63,915,185
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources		
Capital assets	\$ 200,983,218	
Accumulated depreciation	<u>(77,281,865)</u>	123,701,353
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the plan fiduciary net position over the plan total liability is reported as a net pension asset		48,804,530
For bond refundings, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred charge on refunding in the Statement of Net Position.		305,782
Governmental funds report all pension contributions as expenditures. However, the net pension liability has a measurement date of June 30, 2021, and pension contributions subsequent to the measurement date are reclassified as deferred outflows of resources.		4,105,641
Deferred outflows of resources reported for the pension plan for government-wide statements are amortized:		
Differences between expected and actual experiences	302,608	
Net difference between projected and actual earnings	21,120,070	
Adjustment due to difference in proportions	1,329,085	62,718,728
Deferred outflows of resources reported for OPEB for government-wide statements are amortized:		
Differences between expected and actual experiences	7,433	
Change of assumptions	<u>7,642,458</u>	7,649,891
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Pension Obligation Bonds	(82,901,299)	
COPS Payable	(17,835,000)	
Lease Payable	(1,969,941)	
Compensated Absences	(4,652,548)	
Unamortized bond premiums/discounts	<u>(1,752,123)</u>	(109,110,911)
Governmental funds report all OPEB contributions as expenditures, however, in the statement of net position, the excess of the OPEB plan liability over the OPEB actuarial liability is reported as a net OPEB liability.		(4,533,983)
Deferred inflows of resources reported for OPEB for government-wide statements are amortized:		
Differences between expected and actual experiences	(1,879,297)	
Changes of assumptions	(37,929)	
Difference between projected and actual return on assets	<u>(1,017,247)</u>	(2,934,473)
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability		(170,400)
Deferred inflows of resources reported for the pension plan for government-wide statements are amortized:		
Differences between expected and actual experiences	(6,242,935)	
Adjustment due to difference in proportions	(35,689,908)	
Difference in proportionate share	<u>(6,841,949)</u>	(48,774,792)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		2,763,714
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>7,997,129</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 156,437,394</u></b>

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes and assessments	\$ 62,995,151	\$ 4,475,486	\$ 67,470,637
Licenses and permits	3,983,079	3,634	3,986,713
Intergovernmental	4,801,637	8,887,302	13,688,939
Charges for services	11,829,242	551,514	12,380,756
Use of money and property	1,647,517	(496,979)	1,150,538
Fines and forfeitures	2,358,731	92,552	2,451,283
Miscellaneous Revenues	2,076,767	215,696	2,292,463
<b>Total Revenues</b>	<b>89,692,124</b>	<b>13,729,205</b>	<b>103,421,329</b>
<b>Expenditures:</b>			
Current:			
General government	14,975,284	-	14,975,284
Public safety	41,611,175	194,933	41,806,108
Culture and recreation	6,947,767	598,447	7,546,214
Public works	8,528,320	7,710,504	16,238,824
Capital outlay:			
Public safety	-	2,730,533	2,730,533
Culture and recreation	-	385,278	385,278
Public works	1,137	4,766,010	4,767,147
Debt service:			
Principal retirement	4,191,660	667,145	4,858,805
Interest and fiscal charges	2,396,080	481,525	2,877,605
Trustee fees and bond issuance cost	1,600	206,443	208,043
<b>Total Expenditures</b>	<b>78,653,023</b>	<b>17,740,818</b>	<b>96,393,841</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,039,101	(4,011,613)	7,027,488
<b>Other Financing Sources (Uses):</b>			
Transfers in	532,628	2,951,791	3,484,419
Transfers out	(4,365,153)	(770,326)	(5,135,479)
Issuance of long-term debt	-	7,440,000	7,440,000
Bond premium	-	1,259,922	1,259,922
<b>Total Other Financing Sources (Uses)</b>	<b>(3,832,525)</b>	<b>10,881,387</b>	<b>7,048,862</b>
Net Change in Fund Balances	7,206,576	6,869,774	14,076,350
<b>Fund Balances:</b>			
Beginning of Year	32,610,901	17,227,934	49,838,835
<b>End of Year</b>	<b>\$ 39,817,477</b>	<b>\$ 24,097,708</b>	<b>\$ 63,915,185</b>



CITY OF MANHATTAN BEACH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds \$ 14,076,350

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Cost of assets capitalized	\$ 7,242,410	
Right to use assets	2,880,746	
Depreciation expense	(3,336,045)	
Right to use assets amortization	<u>(947,158)</u>	5,839,953

The issuance of long-term debt (e.g. bonds, leases) provides current resources to governmental funds, while the repayment of long term debt principal consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities

Proceeds from debt issued		
2021 Fire Station No. 2 Certificates of Participation	(7,440,000)	
Premium on bond issued	(1,259,922)	
Lease	(2,880,746)	
Repayment of bond principal:		
Police & Fire Facility 2013 Refunding Certificates of Participation	545,000	
Marine Avenue Park 2016 Refunding Certificates of Participation	320,000	
Fire Station 2021 Certificates of Participation	105,000	
2021 Pension Obligation Bonds	2,978,000	
Lease principal payments	910,805	
Amortization of bond premiums	94,144	
Amortization of deferred charges on refunding	<u>(32,188)</u>	(6,659,907)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 186,878

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 266,122

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 50,305,070

OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (1,015,210)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (1,106,572)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 3,378,289

**Change in Net Position of Governmental Activities \$ 65,270,973**

CITY OF MANHATTAN BEACH

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Parking</u>
<b>Assets:</b>			
Current:			
Cash and investments	\$ 21,963,129	\$ 15,592,284	\$ 2,873,062
Receivables:			
Accounts	940,017	259,974	3,589
Inventories	381,406	-	-
Restricted:			
Cash with fiscal agent	17,385	8,553	143,602
Total Current Assets	<u>23,301,937</u>	<u>15,860,811</u>	<u>3,020,253</u>
Noncurrent:			
Net pension asset	626,354	258,173	87,077
Capital assets - net of accumulated depreciation	49,860,184	10,818,962	18,333,661
Total Noncurrent Assets	<u>50,486,538</u>	<u>11,077,135</u>	<u>18,420,738</u>
<b>Total Assets</b>	<b><u>73,788,475</u></b>	<b><u>26,937,946</u></b>	<b><u>21,440,991</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred pension related items	90,328	29,026	10,437
Deferred OPEB related items	151,328	95,796	34,706
<b>Total Deferred Outflows of Resources</b>	<b><u>241,656</u></b>	<b><u>124,822</u></b>	<b><u>45,143</u></b>
<b>Liabilities:</b>			
Current:			
Accounts payable	1,709,874	179,567	416,479
Accrued payables	397,784	77,870	28,344
Accrued interest	16,421	8,079	136,792
Deferred revenues	-	-	-
Deposits payable	25	-	410
Accrued compensated absences	20,904	-	-
Workers' compensation claims	-	-	-
Accrued claims and judgments	-	-	-
Leases payable	-	-	-
Bonds payable	182,164	86,316	385,757
Total Current Liabilities	<u>2,327,172</u>	<u>351,832</u>	<u>967,782</u>
Noncurrent:			
Net OPEB liability	89,690	56,777	20,570
Accrued compensated absences	95,811	-	-
Workers' compensation claims	-	-	-
Accrued claims and judgments	-	-	-
Leases payable	-	-	-
Bonds payable	1,540,678	676,876	5,890,532
Total Noncurrent Liabilities	<u>1,726,179</u>	<u>733,653</u>	<u>5,911,102</u>
<b>Total Liabilities</b>	<b><u>4,053,351</u></b>	<b><u>1,085,485</u></b>	<b><u>6,878,884</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	421,689	173,814	58,623
Deferred OPEB related items	58,049	36,747	13,313
<b>Total Deferred Inflows of Resources</b>	<b><u>479,738</u></b>	<b><u>210,561</u></b>	<b><u>71,936</u></b>
<b>Net Position:</b>			
Net investment in capital assets	49,195,141	10,491,780	12,204,429
Restricted for business improvement district	-	-	390,867
Unrestricted	20,301,901	15,274,942	1,940,018
<b>Total Net Position</b>	<b><u>\$ 69,497,042</u></b>	<b><u>\$ 25,766,722</u></b>	<b><u>\$ 14,535,314</u></b>

CITY OF MANHATTAN BEACH

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Services Funds
	Other Enterprise Funds	Totals	
<b>Assets:</b>			
Current:			
Cash and investments	\$ 5,059,406	\$ 45,487,881	\$ 25,087,666
Receivables:			
Accounts	31,798	1,235,378	1,450
Inventories	-	381,406	100,640
Restricted:			
Cash with fiscal agent	-	169,540	-
Total Current Assets	<u>5,091,204</u>	<u>47,274,205</u>	<u>25,189,756</u>
Noncurrent:			
Net pension asset	106,840	1,078,444	2,005,776
Capital assets - net of accumulated depreciation	3,654,579	82,667,386	3,520,403
Total Noncurrent Assets	<u>3,761,419</u>	<u>83,745,830</u>	<u>5,526,179</u>
<b>Total Assets</b>	<b><u>8,852,623</u></b>	<b><u>131,020,035</u></b>	<b><u>30,715,935</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred pension related items	14,309	144,100	235,339
Deferred OPEB related items	51,368	333,198	552,555
<b>Total Deferred Outflows of Resources</b>	<b><u>65,677</u></b>	<b><u>477,298</u></b>	<b><u>787,894</u></b>
<b>Liabilities:</b>			
Current:			
Accounts payable	875,040	3,180,960	234,376
Accrued payables	36,045	540,043	69,086
Accrued interest	-	161,292	-
Deferred revenues	-	-	1,627
Deposits payable	223,917	224,352	-
Accrued compensated absences	-	20,904	-
Workers' compensation claims	-	-	9,036,287
Accrued claims and judgments	-	-	1,737,238
Leases payable	-	-	44,899
Bonds payable	7,063	661,300	132,612
Total Current Liabilities	<u>1,142,065</u>	<u>4,788,851</u>	<u>11,256,125</u>
Noncurrent:			
Net OPEB liability	30,445	197,482	327,492
Accrued compensated absences	-	95,811	-
Workers' compensation claims	-	-	6,348,000
Accrued claims and judgments	-	-	682,500
Leases payable	-	-	75,464
Bonds payable	173,371	8,281,457	3,254,788
Total Noncurrent Liabilities	<u>203,816</u>	<u>8,574,750</u>	<u>10,688,244</u>
<b>Total Liabilities</b>	<b><u>1,345,881</u></b>	<b><u>13,363,601</u></b>	<b><u>21,944,369</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	71,930	726,056	1,350,373
Deferred OPEB related items	19,705	127,814	211,958
<b>Total Deferred Inflows of Resources</b>	<b><u>91,635</u></b>	<b><u>853,870</u></b>	<b><u>1,562,331</u></b>
<b>Net Position:</b>			
Net investment in capital assets	3,654,579	75,545,929	3,400,748
Restricted for business improvement district	-	390,867	-
Unrestricted	3,826,205	41,343,066	4,596,381
<b>Total Net Position</b>	<b><u>\$ 7,480,784</u></b>	<b><u>\$ 117,279,862</u></b>	<b><u>\$ 7,997,129</u></b>



CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Parking</u>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 15,108,592	\$ 3,556,257	\$ 4,532,825
Interdepartmental charges	-	-	-
Miscellaneous	360,430	11,887	20,940
<b>Total Operating Revenues</b>	<b>15,469,022</b>	<b>3,568,144</b>	<b>4,553,765</b>
<b>Operating Expenses:</b>			
Salaries	1,074,016	301,568	100,285
Employee benefits	85,800	104,820	16,628
Contract and professional services	7,378,508	118,738	535,775
Materials and services	1,561,874	170,708	969,475
Utilities	237,682	69,925	126,249
Administrative service charges	1,564,347	857,891	534,000
Internal services	-	-	53,433
Leases and rents	-	-	-
Claims expense	-	-	-
Depreciation expense	626,675	315,097	252,195
<b>Total Operating Expenses</b>	<b>12,528,902</b>	<b>1,938,747</b>	<b>2,588,040</b>
Operating Income (Loss)	2,940,120	1,629,397	1,965,725
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	(945,659)	(402,622)	(48,322)
Interest expense	(46,911)	(21,096)	(198,521)
Gain (loss) on disposal of capital assets	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(992,570)</b>	<b>(423,718)</b>	<b>(246,843)</b>
Income (Loss) Before Transfers	1,947,550	1,205,679	1,718,882
Transfers in	-	-	-
Transfers out	-	-	-
Changes in Net Position	<u>\$ 1,947,550</u>	<u>\$ 1,205,679</u>	<u>\$ 1,718,882</u>
<b>Net Position:</b>			
Beginning of Fiscal Year, as originally reported	\$ 68,047,462	\$ 24,561,043	\$ 12,816,432
Restatements	(497,970)	-	-
Beginning of Fiscal Year, as restated	67,549,492	24,561,043	12,816,432
Changes in Net Position	1,947,550	1,205,679	1,718,882
<b>End of Fiscal Year</b>	<b><u>\$ 69,497,042</u></b>	<b><u>\$ 25,766,722</u></b>	<b><u>\$ 14,535,314</u></b>

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>			
Sales and service charges	\$ 2,588,409	\$ 25,786,083	\$ -
Interdepartmental charges	-	-	20,839,479
Miscellaneous	2,875	396,132	37,535
<b>Total Operating Revenues</b>	<b>2,591,284</b>	<b>26,182,215</b>	<b>20,877,014</b>
<b>Operating Expenses:</b>			
Salaries	142,050	1,617,919	2,303,677
Employee benefits	34,410	241,658	783,618
Contract and professional services	1,540,598	9,573,619	1,586,937
Materials and services	226,172	2,928,229	2,141,169
Utilities	75,482	509,338	119,471
Administrative service charges	276,240	3,232,478	-
Internal services	-	53,433	-
Leases and rents	666,005	666,005	-
Claims expense	-	-	9,648,523
Depreciation expense	147,650	1,341,617	817,505
<b>Total Operating Expenses</b>	<b>3,108,607</b>	<b>20,164,296</b>	<b>17,400,900</b>
Operating Income (Loss)	(517,323)	6,017,919	3,476,114
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	(61,909)	(1,458,512)	-
Interest expense	(4,252)	(270,780)	(79,791)
Gain (loss) on disposal of capital assets	-	-	(18,034)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(66,161)</b>	<b>(1,729,292)</b>	<b>(97,825)</b>
Income (Loss) Before Transfers	(583,484)	4,288,627	3,378,289
Transfers in	2,183,688	2,183,688	-
Transfers out	(532,628)	(532,628)	-
Changes in Net Position	\$ 1,067,576	\$ 5,939,687	\$ 3,378,289
<b>Net Position:</b>			
Beginning of Fiscal Year, as originally reported	\$ 6,413,208	\$ 111,838,145	\$ 4,618,840
Restatements	-	(497,970)	-
Beginning of Fiscal Year, as restated	6,413,208	111,340,175	4,618,840
Changes in Net Position	1,067,576	5,939,687	3,378,289
<b>End of Fiscal Year</b>	<b>\$ 7,480,784</b>	<b>\$ 117,279,862</b>	<b>\$ 7,997,129</b>

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2022

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Parking</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 15,066,209	\$ 3,583,618	\$ 4,561,857
Cash received from interfund service provided	-	-	-
Cash paid to suppliers for goods and services	(13,247,692)	(1,630,717)	(2,026,432)
Cash paid to employees for services	(1,852,888)	(352,113)	(132,587)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(34,371)</b>	<b>1,600,788</b>	<b>2,402,838</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	-	-	-
Cash transfers in	-	-	-
Principal paid on pension obligation bonds	(37,976)	(15,653)	(5,280)
Interest paid on pension obligation bonds	(26,295)	(11,671)	(3,937)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(64,271)</b>	<b>(27,324)</b>	<b>(9,217)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from capital debt	673,870	331,526	6,187,349
Acquisition and construction of capital assets	(14,994,012)	(1,095,032)	(2,947)
Principal paid on capital debt	(844,621)	(415,498)	(6,750,156)
Interest paid on capital debt	(30,244)	(14,184)	(232,762)
Cash from sale of property	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(15,195,007)</b>	<b>(1,193,188)</b>	<b>(798,516)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	(945,659)	(402,622)	(48,322)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(945,659)</b>	<b>(402,622)</b>	<b>(48,322)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(16,239,308)</b>	<b>(22,346)</b>	<b>1,546,783</b>
Cash and Cash Equivalents at Beginning of Year	38,219,822	15,623,183	1,469,881
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 21,980,514</b>	<b>\$ 15,600,837</b>	<b>\$ 3,016,664</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 2,940,120	\$ 1,629,397	\$ 1,965,725
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Net position restatement for payment processing fees	(497,970)	-	-
Depreciation	626,675	315,097	252,195
(Increase) decrease in accounts receivable	96,442	15,474	8,092
(Increase) decrease in prepaid expense	-	-	-
(Increase) decrease in inventory	(227,835)	-	-
Increase (decrease) in accounts payable	(2,277,446)	(413,455)	192,500
Increase (decrease) in accrued payables	(509,396)	41,429	(1,318)
Increase (decrease) in deposits payable	(1,285)	-	-
Increase (decrease) in net pension liability	(1,821,767)	(670,187)	(245,493)
Increase (decrease) in net OPEB liability	(17,236)	(26,122)	(9,464)
Increase (decrease) in deferred pension related items	1,622,234	672,135	227,189
Increase (decrease) in deferred OPEB related items	30,634	37,020	13,412
Increase (decrease) in workers' compensation claims	-	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	2,459	-	-
<b>Total Adjustments</b>	<b>(2,974,491)</b>	<b>(28,609)</b>	<b>437,113</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (34,371)</b>	<b>\$ 1,600,788</b>	<b>\$ 2,402,838</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Bond premium amortization	\$ 8,243	\$ 4,348	\$ 23,824

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 2,639,175	\$ 25,850,859	\$ 44,885
Cash received from interfund service provided	-	-	20,839,479
Cash paid to suppliers for goods and services	(2,888,002)	(19,792,843)	(13,669,246)
Cash paid to employees for services	(184,466)	(2,522,054)	(2,849,141)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(433,293)</b>	<b>3,535,962</b>	<b>4,365,977</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	(532,628)	(532,628)	-
Cash transfers in	2,183,688	2,183,688	-
Principal paid on pension obligation bonds	(6,478)	(65,387)	(121,610)
Interest paid on pension obligation bonds	(4,832)	(46,735)	(86,814)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>1,639,750</b>	<b>1,538,938</b>	<b>(208,424)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from capital debt	-	7,192,745	-
Acquisition and construction of capital assets	(10,493)	(16,102,484)	(232,492)
Principal paid on capital debt	-	(8,010,275)	(47,857)
Interest paid on capital debt	-	(277,190)	(3,851)
Cash from sale of property	-	-	20,525
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(10,493)</b>	<b>(17,197,204)</b>	<b>(263,675)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	(61,909)	(1,458,512)	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(61,909)</b>	<b>(1,458,512)</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,134,055</b>	<b>(13,580,816)</b>	<b>3,893,878</b>
Cash and Cash Equivalents at Beginning of Year	3,925,351	59,238,237	21,193,788
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,059,406</b>	<b>\$ 45,657,421</b>	<b>\$ 25,087,666</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (517,323)	\$ 6,017,919	\$ 3,476,114
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Net position restatement for payment processing fees	-	(497,970)	-
Depreciation	147,650	1,341,617	817,505
(Increase) decrease in accounts receivable	281,173	401,181	5,723
(Increase) decrease in prepaid expense	-	-	92
(Increase) decrease in inventory	-	(227,835)	1,832
Increase (decrease) in accounts payable	(103,921)	(2,602,322)	27,439
Increase (decrease) in accrued payables	1,607	(467,678)	68,608
Increase (decrease) in deposits payable	(233,282)	(234,567)	-
Increase (decrease) in net pension liability	(291,736)	(3,029,183)	(5,045,160)
Increase (decrease) in net OPEB liability	(14,013)	(66,835)	(126,631)
Increase (decrease) in deferred pension related items	276,696	2,798,254	5,202,547
Increase (decrease) in deferred OPEB related items	19,856	100,922	185,670
Increase (decrease) in workers' compensation claims	-	-	(327,254)
Increase (decrease) in claims and judgments	-	-	77,865
Increase (decrease) in compensated absences	-	2,459	-
<b>Total Adjustments</b>	<b>84,030</b>	<b>(2,481,957)</b>	<b>889,863</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (433,293)</b>	<b>\$ 3,535,962</b>	<b>\$ 4,365,977</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Bond premium amortization	\$ -	\$ 36,415	\$ -

CITY OF MANHATTAN BEACH

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2022

	<u>Custodial Fund Special Assessment Redemption</u>
<b>Assets:</b>	
Cash and investments	\$ 1,774,640
Receivables:	
Special assessments	89,523
Cash and investments with fiscal agents	<u>1,118,420</u>
<b>Total Assets</b>	<b><u>2,982,583</u></b>
<b>Liabilities:</b>	
Accounts payable	<u>1,980</u>
Total Liabilities	<u>1,980</u>
<b>Net Position:</b>	
Restricted for other governments	<u>2,980,603</u>
<b>Total Net Position</b>	<b><u>\$ 2,980,603</u></b>

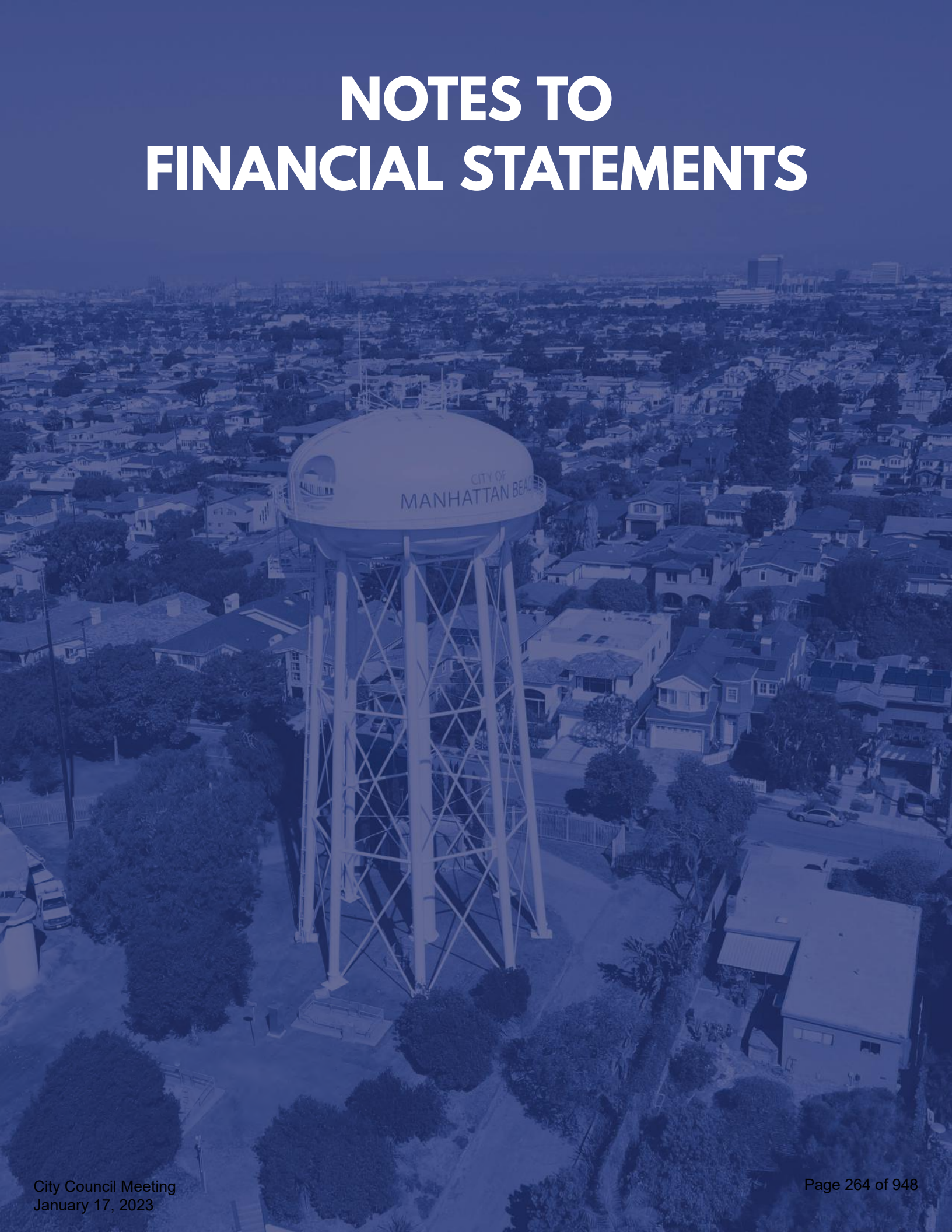
CITY OF MANHATTAN BEACH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2022

	<u>Custodial Fund Special Assessment Redemption</u>
<b>Additions:</b>	
Special assessments	\$ 1,659,113
Interest income	243
<b>Total Additions</b>	<u><b>1,659,356</b></u>
<b>Deductions:</b>	
Professional services	7,330
Principal payment	1,205,000
Interest expenses	258,730
<b>Total Deductions</b>	<u><b>1,471,060</b></u>
<b>Changes in Net Position</b>	<u><b>\$ 188,296</b></u>
<b>Net Position</b>	
Beginning of the Year, as originally reported	\$ (15,528,982)
Restatement	18,321,289
Beginning of Fiscal Year, as restated	2,792,307
Changes in Net Position	188,296
<b>End of the Year</b>	<u><b>\$ 2,980,603</b></u>



# NOTES TO FINANCIAL STATEMENTS







**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The City of Manhattan Beach, California (the City), was incorporated on December 12, 1912, under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Manhattan Beach (the primary government) and its component unit, the Manhattan Beach Capital Improvements Corporation. The component unit is included in the reporting entity because of the significance of its operational or financial relationships with the City of Manhattan Beach. It is governed by the City Council of the City of Manhattan Beach and its activities exclusively benefit the City, therefore it is presented as a blended component unit. Separate financial statements are not prepared for the Manhattan Beach Capital Improvements Corporation.

Blended Component Unit

Manhattan Beach Capital Improvements Corporation - The Manhattan Beach Capital Improvements Corporation (the Corporation) is a nonprofit public benefits corporation, organized under the laws of the State of California in September 1996, pursuant to the Nonprofit Public Benefit Corporation Laws (Title I, Division 2, Part 2, Section 5110). The sole purpose of the Corporation is to issue debt for capital improvements. Certificates of participation are debt issued by the Corporation providing the holder an interest, i.e. the right to participate in the lease payments paid by the City to the Corporation. There are no separately issued financial statements for this entity.

**b. Accounting and Reporting Policies**

The City adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which established accounting and financial reporting standards for financial statements of state and local governments.

**c. Description of Funds**

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with the City's municipal code and budget, several different types of funds are used to record the City's financial transactions. For financial reporting purposes, such funds have been categorized and are presented as follows:

Governmental Fund Types

*General Fund* - to account for all unrestricted resources except those required to be accounted for in another fund.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

*Special Revenue Funds* - to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

*Capital Projects Funds* - to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds. In recent years, the Underground Assessment District Fund was added to this category.

Proprietary Fund Types

*Enterprise Funds* - to account for operations where it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, or where determination of net income is deemed appropriate.

*Internal Service Funds* - to account for insurance reserve, information systems, building maintenance and operations, and fleet management services provided to the departments of the City on a continuing basis, which are financed or recovered primarily by charges to the user departments.

Fiduciary Fund Types

*Custodial Funds* - to account for special assessment collections for debt service for the underground assessment bonds that the City remits to the fiscal agent.

**d. Basis of Accounting/Measurement Funds**

Government-Wide Financial Statements

The City government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental Activities and Business-Type Activities for the City. Fiduciary Activities of the City are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred inflows and outflows of resources, and liabilities, including capital assets and infrastructure as well as long-term debt are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the benefit is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenue are reported instead as general revenue.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Government-wide financial statements do not provide information by fund; they simply distinguish between governmental and business-type activities. The City's Statement of Net Position includes current and noncurrent assets and liabilities, as well as deferred inflows and outflows of resources.

Financial Statement Classification

In the government-wide financial statements, net position is classified in the following categories:

*Net Investment in capital assets* - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of capital assets reduce this category.

*Restricted Net Position* - This category presents restrictions imposed by creditors, grantors, contributions or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - This category represents the net position of the City, not restricted for any project or other purpose.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenue, Expenditures and Change in Fund Balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the qualifications of GASB Statement No. 34.

All governmental funds are accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the governmental fund balance sheet. Related operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used by all governmental funds as the basis for recognizing revenues. Under the modified accrual basis of accounting, revenues are susceptible to accrual and consequently recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be readily determined, and "available" means that the transaction amount is collectible within the current period or soon thereafter (generally 60 days after year-end) to be used to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes and sales taxes collected after year-end, earned and uncollected investment interest income, uncollected rents and leases and unbilled service receivables. Revenues from such items as license and permit fees, fines and forfeitures and general service charges are not susceptible to accrual because they are generally not measurable until received in cash.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

The government reports unearned revenue on its balance sheet for grant monies received before the City has a legal claim to them, such as grant funds received prior to incurring qualified expenses. In subsequent periods, the unearned revenue is removed once revenue recognition criteria are met and the City has established legal claim to the resources.

Governmental fund expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when they are due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Proprietary Funds Financial Statements

Proprietary funds financial statements include a Statement of Fund Net Position, a Statement of Revenues, Expenses and Change in Fund Net Position, and a Statement of Cash Flows. All proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. With this measurement focus, all assets, deferred outflows/inflows of resources and liabilities (current and long-term) resulting from the operations of these funds are included in the Statement of Net Position. Accordingly, the proprietary fund Statement of Net Position presents assets, deferred inflows/outflows of resources and liabilities classified into their respective current and long-term categories.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

There is no look-back adjustment on the statement of fund net position and the statement of revenues, expenses and changes in fund net position for the enterprise funds' participation in the internal services funds because these transactions are paid in cash, therefore there is no internal balance related to what can be considered a quasi-external transaction.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Major Funds

Governmental Accounting Standards Board Statement 34 (GASB 34) requires the City to report all major funds in the basic financial statements. In accordance with GASB 34, the following funds are classified as major governmental funds:

*General Fund* – used to account for all unrestricted resources except those required to be accounted for in another fund. This fund accounts for general citywide operations.

The following funds are classified as major proprietary funds:

*Water Fund* - used to account for the operation of the City's water utility system. Revenues are generated from user fees, which are adjusted periodically to meet the costs of administration, operation, maintenance and capital improvements to the system. In fiscal year 1997, funds the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater systems.

*Wastewater Fund* - used to account for the maintenance and improvements of the City's sewer system. Revenues are derived from a user charge placed on the water bills. In fiscal year 1997, the City completed a comprehensive utility fee study and issued certificates of participation for the purpose of upgrading the City's water and wastewater system.

*Parking Fund* - used to account for the general operations and maintenance of City parking lots and spaces. Revenues are generated from the use of these properties.

**e. Property Tax Calculator**

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 AM on the first day in January prior to the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, by December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 of each year and are delinquent, if unpaid, on August 31.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**f. Cash and Investments**

*Cash and Cash Equivalents*

For purpose of the Statement of Cash Flows, the City considers cash and cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds in its 125 medical flex plan; its Section 115 Trust, and its outstanding Water and Wastewater; Marine Avenue Sports Field; and Metlox, Police & Fire Facility bonded debt, which are held by outside trustees.

*Investments*

Investments are shown at fair value, in accordance with GASB Statements No. 31 and No. 72. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

For purposes of the Statement of Cash Flows, the proprietary fund types consider all cash and investments to be cash equivalents, as these funds participate in the citywide cash and investment pool.

**g. Restricted Cash and Investments**

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Additionally, the City established the PARS Post-Employment Benefits Trust as a tax-exempt trust within the meaning of Section 115 of the IRS Code and relevant statutory provisions of the State of California for the purpose of pre-funding pension obligation and/or OPEB obligation. The City's adoption and operation of the Trust has no effect on any of the current or former employee's entitlement to post-employment benefits. The balances and activities of the Trust are irrevocably dedicated to funding future post-employment benefit obligations. The assets will benefit the City through reduced future cash flow demands on the City's General fund resources and continue to be assets of the City. These amounts are reflected as restricted cash and investments in the General fund.

**h. Capital Assets**

Capital assets, which include land, machinery and equipment, right-to-use machinery and equipment, buildings and improvements, right-to-use building and improvements, intangibles, and infrastructure (roads, bridges, curbs and gutters, streets, walk-streets and sidewalks, parks and recreation improvements), are reported in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and \$100,000 respectively (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Capital assets are reported net of accumulated depreciation on the Statement of Net Position. Depreciation is provided for on the straight-line method over the estimated useful lives of the assets as follows:

Asset	Years
Equipment	5 - 20
Right-to-use Equipment	5 - 20
Vehicles	3 - 20
Buildings/Improvements	40 - 100
Right-to-use Buildings/Improvements	40 - 100
Water and Sewer Systems	30 - 50
Other Infrastructure	15 - 100

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**i. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Financial Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for pension contributions made after the actuarial measurement date which will be recognized in the following year, for the net difference between projected and actual earnings on pension and OPEB plan investments, the difference between expected and actual experience, the changes of assumptions, adjustments due to the difference in proportions, and the difference in proportionate share. The government also reports deferred outflows for deferred charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Financial Position and the Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has several items that qualify for reporting in this category:

1. Unavailable revenue reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues. These amounts are deferred and recognized as an inflow of resources in the period when they become available.
2. Pension and OPEB related deferred inflows are reported only on the Statement of Net Position. The government reports deferred inflows of resources related to pensions arising from certain changes in the net pension liability, net pension asset, or net OPEB asset. Deferred inflows and outflows of resources related to changes in the net pension liability, net pension asset, and net OPEB asset are recognized systematically over time. Amounts are first recognized in the year the change occurs. The remaining amounts are to be recognized in future periods. The recognition period differs depending on the source of the change, and they currently are amortized over 5 years or the average remaining service life time.



**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

3. A deferred inflow of resources related to leases is reported for the value of lease receivable payments to be recognized as an inflow of resources in a systematic and rational manner over the term of the lease agreements.

**j. Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For the pension plan administered under the California Public Employee's Retirement System (CalPERS), the following timeframes are used:

Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2021
Measurement Period:	July 1, 2020 to June 30, 2021

**k. Net Other Post-employment Benefits (OPEB) Liability**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Measurement Period:	July 1, 2020 to June 30, 2021

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**I. Interfund Transfers**

As a general rule, interfund transactions have been eliminated from the government-wide financial statements. Exceptions to this rule are payments in lieu or charges for current service between the City's enterprise activity and the City's governmental funds. Elimination of these transactions would distort the direct costs and program revenues for the various functions. Certain eliminations have been made regarding interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental, business-type, and fiduciary activities have not been eliminated.

**m. Long-Term Obligations**

In the government-wide and proprietary funds financial statements, long-term obligations are recorded as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the debt using the effective interest method.

In the governmental fund financial statements, long-term obligation, bond discounts and premiums are recognized as other financing sources or uses when incurred. Issuance costs are recorded as a current year expenditure.

The City has recorded all judgment and claim liabilities resulting from workers' compensation and liability insurance claims in the Insurance Reserve Fund, which is a component of the Internal Service funds group. The recorded liability is based upon an estimate of reported claims as provided by an analysis of a third-party administrator. Reported short-term and long-term estimated losses and reserves of \$10,773,525 and \$7,030,500 respectively, are recorded in the Insurance Reserve Fund.

Only the short-term liability is reflected as a current liability in all applicable governmental fund types; the remainder of the liability is reported as long-term debt in the Statement of Net Position.

**n. Vacation and Sick Leave**

The City's policy is to record the cost of vested vacation and sick leave as it is earned. Vacation is payable to employees at the time a vacation is taken or upon termination of employment. At termination, employees are eligible to convert 50% of unused sick time to service credit; however, sworn fire safety personnel, upon service retirement, may opt to cash out 50% of the value of unused sick leave.

Miscellaneous and sworn police employees may accrue compensated time off in lieu of payment for overtime hours. Overtime hours are banked at either time-and-a-half or straight-time hours depending upon the nature of the overtime worked. The dollar value of these hours is included as an employee benefits liability as shown in the balance sheet.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**o. Allocation of Interest Income**

The City pools all non-restricted cash for investment purchases and allocates interest income based on month-end cash balances. Interest earned by restricted Cash is posted to their respective accounts.

**p. Other Accounting Policies**

*Inventories* - Inventories of materials and supplies are carried at cost on a weighted-average basis. The City uses the consumption method of accounting for inventories.

*Prepaid items* - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**q. Estimates**

The accompanying financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**r. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**s. Fund Balance Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**t. Fund Balance Policy**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

- Non-spendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-term loans, and notes receivable, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the non-spendable category.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

**Note 2: Stewardship, Compliance and Accountability**

**Deficit Fund Balance and Net Position**

At June 30, 2022, the Building Maintenance and Operations Fund has a deficit net position of \$512,876. The deficit is the result of non-current liabilities and will be resolved by future revenues and contributions from other funds.

**Note 3: Cash and Investments**

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

Governmental Funds	\$ 69,189,782
Internal Service Funds	25,087,666
Business-Type Activities	45,657,421
Fiduciary Funds	2,893,060
Total Cash and Investments	\$ 142,827,929

The City pools all cash and investments that is available for use for all funds, including fiduciary funds. Unrestricted and restricted cash and investments, as indicated in the government-wide statement of net position, do not include fiduciary cash and investments.

**Note 3: Cash and Investments (Continued)**

These cash amounts are included in the Statement of Fiduciary Net Position – Fiduciary Funds. Each fund type's position in the pool is reported on the Combined Balance Sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

**a. Deposits**

At June 30, 2022, the carrying amount of the City's deposits after outstanding checks and deposits in transit was \$7,777,750 and the bank balance was \$10,393,330. The \$2,615,580 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City's Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking.

The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency.

Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the City.

**b. Authorized Investments**

Under provisions of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan associations
- Negotiable Certificates of Deposit
- Bankers Acceptances
- Commercial Papers
- Local Agency Investment Fund (State Pool) Demand Deposits
- Passbook Savings Account Demand Deposits
- Federally Insured Thrift and Loan
- Repurchase Agreements
- Medium-Term Corporate Notes
- Floaters or step-ups with market driven interest rate adjustments
- Mutual Funds of highest ratings

**Note 3: Cash and Investments (Continued)**

The City's investment policy does not allow the use of reverse-repurchase agreements and, accordingly, the City did not borrow through the use of reverse-repurchase agreements at any time during the year.

**c. Investments Authorized by Debt Agreements**

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Entity's investment policy.

**d. Investments in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holdings in LAIF. The City had a contractual withdrawal value of \$48,000,000 whose pro-rata share of fair value was estimated by the State Treasurer to be \$47,382,020.

**e. GASB Statement No. 31**

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the Entity reports its investments at fair value in the balance sheet.

All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Methods and assumptions used to estimate fair value. The City maintains investment accounting records and adjusts those records to "fair value" on an annual basis for material amounts. The City's investment custodian provides market values on each investment instrument on a monthly basis for material amounts. The investments held by the City are widely traded in the financial markets and trading values are readily available from numerous published sources. Material unrealized gains and losses are recorded on an annual basis and the carrying value of its investments is considered fair value. For the year ended June 30, 2022, the book value of investments exceeded fair value the by \$2,931,589.

**f. Credit Risk**

The City's investment policy limits investments in medium-term notes (MTN's) to those rated in the top three rating categories by two of the three largest nationally recognized rating services at time of purchase. As of June 30, 2022, the City's investment in

**Note 3: Cash and Investments (Continued)**

medium-term notes consisted of investments with Microsoft Corp., Berkshire Hathaway Inc., Coca Cola Co., United Parcel Service, Costco Wholesale Corp., Apple Inc., Oracle Corp, Toyota Motor Credit Corp., US Bank NA Cincinnati, Bank of New York Mellon Corp., and Walt Disney Company. All MTN's were rated "A" or higher by Moody's at time of purchase. Investment in government agencies issued by the Federal National Mortgage Association, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, and the Federal Farm Credit Banks were rated "Aaa" by Moody's and "AA+" by Standard & Poor's. Asset-Backed Securities were rated "Aaa" by Moody's and "AAA" by Standard & Poor's.

All securities were investment grade and were legal under state and city policies. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2022, the City's investments in external investment pools and money market mutual funds are unrated.

**g. Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk.

As of June 30, 2022, none of the City's deposits or investments was exposed to custodial credit risk.

**h. Concentration of Credit Risk**

The City's investment policy imposes restrictions for certain types of investments with any one issuer for the following types of investments. With respect to concentration of credit risk, as of June 30, 2022, the City is in compliance with its investment policy's restrictions.

In accordance with GASB Statement No. 40, the city is exposed to credit risk if it has invested more than 5% of its total investments in any one issuer. The following issuers are above 5% of the total investments: Federal Home Loan Bank (7.48%), Federal Farm Credit (9.13%), and Fannie Mae (5.99%). These government-sponsored investments are backed by the federal government and are below the City's investment policy limit of 33.33% of total investments.

**i. Interest Rate Risk**

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that no investment can mature more than five years from the date of purchase in line with state code requirements. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

Note 3: Cash and Investments (Continued)

j. Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy use a market approach to measure fair value. The City's pricing vendor, through rules based logic, utilizes valuation techniques that reflect market participants' assumptions and vary by asset class and per methodology, and maximizes the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

The City has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Total	Uncategorized	Fair Value Level		
			1	2	3
Local Agency Investment Fund (LAIF)	\$ 47,382,020	\$ 47,382,020	\$ -	\$ -	\$ -
US Treasury and Agency Notes	70,273,330	-	35,773,440	34,499,890	-
Medium-Term Corporate Notes	12,647,910	-	-	12,647,910	-
<b>Total Investments</b>	<b>\$ 130,303,260</b>	<b>\$ 47,382,020</b>	<b>\$ 35,773,440</b>	<b>\$ 47,147,800</b>	<b>\$ -</b>

As of June 30, 2022, the City had the following investments and original maturities:

	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	More than 3 years	
<u>Pooled investments:</u>					
Local Government Fund	\$ 47,382,020	\$ -	\$ -	\$ -	\$ 47,382,020
US Treasury and agency notes	-	-	24,913,110	45,360,220	70,273,330
Medium-term notes	-	-	6,960,420	5,687,490	12,647,910
	<u>\$ 47,382,020</u>	<u>\$ -</u>	<u>\$ 31,873,530</u>	<u>\$ 51,047,710</u>	<u>130,303,260</u>
<u>Investment with Fiscal Agents:</u>					
PARS pension					1,603,037
Utility undergrounding					1,118,421
Water/Wastewater, Metlox Refunding bonds					169,540
Marine certificates of participation					75,151
Police & Fire certificate of participation refunding bonds					107,631
Fire Station 2 COPs					139,500
Pension Obligation Bonds					1,038,300
					<u>4,251,580</u>
Demand deposits					7,777,750
Other deposits					493,317
Petty cash					2,022
					<u>8,273,089</u>
					<u>\$ 142,827,929</u>



**CITY OF MANHATTAN BEACH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022**

**Note 4: Interfund Transactions**

**Interfund Transfers**

With City Council approval, resources may be transferred from one fund to another. Transfers between individual funds during the fiscal year ended June 30, 2022, are presented below:

	Transfers in			Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
<u>Transfers Out</u>				
General Fund	\$ -	\$ 2,181,465	\$ 2,183,688	\$ 4,365,153
Nonmajor Governmental Funds	-	770,326	-	770,326
Nonmajor Proprietary Funds	532,628	-	-	532,628
Total	<u>\$ 532,628</u>	<u>\$ 2,951,791</u>	<u>\$ 2,183,688</u>	<u>\$ 5,668,107</u>

The interfund transfers scheduled above resulted from a variety of City initiatives including the following:

- The General Fund transferred a total of \$2,181,465 to Nonmajor Governmental funds as follows:
  - \$113,869 to support operations in the Street Light Fund.
  - \$1,400,000 to the Safety and Civic Center Construction Fund for Fire Station 2 design.
  - \$492,596 of the Pension Obligation Bond savings to the Capital Improvement Fund per the City's Pension policy to provide additional capital.
  - \$175,000 to provide funding for capital projects.
- The General Fund also transferred \$2,183,688 to the Stormwater Fund to support operations.
- Nonmajor Governmental transferred \$770,326 for the cost of Fire Station 2 design per bond documents.
- Nonmajor Proprietary transferred \$532,628 to the General Fund to cost of the fund for operations.

**Note 5: Leases**

The City implemented GASB Statement No. 87 in the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

**CITY OF MANHATTAN BEACH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022**

**Note 5: Leases (Continued)**

**a. Leases Receivable and Deferred Inflows of Resources**

The City is reporting lease receivable of \$24,988,459 at June 30, 2022. For the fiscal year, the City reported lease revenue of \$1,337,489 and lease interest revenue of \$303,582. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Bay Club Manhattan Beach, LLC	\$ 11,297,362	\$ 522,544	\$ 136,618
Verizon 16/Valley Lease	1,100,249	82,247	13,380
Manhattan Beach Hotel TRS, LLC	3,991,556	372,095	50,444
Metlox LLC	6,884,750	196,118	81,850
New Cingular Wireless PCS, LLC	1,664,788	106,116	20,037
United State Post Office	39,407	52,198	1,062
Lemonde Storage	10,347	6,171	191
	<u>\$ 24,988,459</u>	<u>\$ 1,337,489</u>	<u>\$ 303,582</u>

Bay Club Manhattan Beach LLC. – In May 2017, the City entered into an amended lease with Bay Club Manhattan Beach, LLC for the property known as the Manhattan Country Club which includes an office building, a tennis complex, a parking lot and slope easement parcels. Based on the lease agreement, the City will receive monthly payment through December 2043.

Verizon 16/Valley Lease – In June 2010, the City entered into a lease agreement with SMSA Limited Partnership d/b/a Verizon Wireless for certain parcel of property for the installation and maintenance of utility wires, poles, cables, conduits and pipes for an initial term of 5 years with extensions up to four five-years terms. The City will receive monthly installments on the first day of each month.

Manhattan Beach Hotel TRS, LLC – In March 1983, the City entered into a ground lease with Manhattan Beach Hotel properties, a California general partnership for unimproved property for tenant to build and operate a hotel and golf course. The term of the lease is for fifty (50) years commencing March 1983. The City is receiving an initial annual rent of \$400,000 payable in monthly installments.

Metlox LLC – in May 2002, the City entered into a disposition & development agreement and ground lease with Metlox LLC for three building pad parcels located on top of a subterranean parking structure to be constructed as part of the project. The term of the lease is for 55 years commencing on May 2002 with the right. Rent to the City is due in monthly installments.

New Cingular Wireless PCS, LLC – In September 2018, the City entered into a structure lease agreement with New Cingular Wireless PCS, LLC for ground and rooftop space for the placement of tenant’s antenna and communication equipment. The original term of the lease is for five years with four automatic five-year terms renewal. Rent is due to the city in monthly installments and will increase annually by 5% in year two of the initial agreement.

**CITY OF MANHATTAN BEACH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022**

**Note 5: Leases (Continued)**

United State Post Office – in April 2018, the City leased approximately 1,900 square feet of interior space and additional space to the United States Postal Service. The lease terminates at the end of March 2023. The annual rent to the City is \$53,000 payable in equal installments at the end of each month.

Lemonade Storage – In February 2019, the City entered into a five-years lease agreement with Lemonade Restaurant Group LLC for storage space in the Metlox Parking Structure. The lease term asks for monthly rent payments to the City

The principal and interest payments expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payment	Interest Payment	Total
2023	\$ 1,145,060	\$ 290,251	\$ 1,435,311
2024	1,123,988	277,044	1,401,032
2025	1,140,783	264,000	1,404,783
2026	1,162,387	250,744	1,413,131
2027	1,184,659	237,237	1,421,896
2028 - 2032	6,282,863	974,230	7,257,093
2033 - 2037	4,927,844	628,835	5,556,679
2038 - 2042	3,854,362	376,142	4,230,504
2043 - 2047	1,921,340	178,893	2,100,233
2048 - 2052	1,099,820	105,180	1,205,000
2053 - 2057	1,145,353	39,565	1,184,918
	<u>\$ 24,988,459</u>	<u>\$ 3,622,121</u>	<u>\$ 28,610,580</u>

**b. Lease Payable and Right to Use Lease Assets**

The City leases certain facilities from the Manhattan Beach Unified School District and miscellaneous equipment from various companies for the City's operation. The terms of these leases expired in fiscal year 2023-24 and 2024-25. Initial leases liability was recorded in the amount of \$3,048,966. As of June 30, 2022, the value of the lease payable is \$2,090,304. In fiscal year 2021-22, the City paid \$994,090 on these leases including an embedded an interest rate of 1.162%.

Right-to-use leased assets at June 30, 2022 include the following:

Lease Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Manhattan Beach Unified School District facilities	\$ 2,551,402	\$ 850,467
Solar trash bins	86,211	27,225
Pitney Bowes postage equipment	10,541	3,514
AIS multifunction copiers	400,812	114,517
Total	<u>\$ 3,048,966</u>	<u>\$ 995,723</u>

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 5: Leases (Continued)**

Future principal and interest requirements to maturity for each lease liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 994,801	\$ 24,289	\$ 1,019,090
2024	1,032,465	12,730	1,045,195
2025	63,038	347	63,385
	<u>\$ 2,090,304</u>	<u>\$ 37,366</u>	<u>\$ 2,127,670</u>

**Note 6: Capital Assets and Depreciation**

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Position. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation expense and accumulated depreciation have been recorded. The following table presents the capital assets activity for the year ended June 30, 2022:

	Ending Balance June 30, 2021	Transfers	Increases additions	Decreases (deletions)	Ending Balance June 30, 2022
<b>Governmental Activities</b>					
Land	\$ 33,634,565	\$ -	\$ -	\$ -	\$ 33,634,565
Construction-in-progress					
Buildings	549,714	-	2,750,099	-	3,299,813
Streets / Roadways	7,111,158	(5,136,001)	3,910,644	-	5,885,801
Recreation	283,452	-	397,749	-	681,201
Fleet Management	-	-	232,492	-	232,492
<b>Total Capital Assets, Not Being Depreciated</b>	<u>41,578,889</u>	<u>(5,136,001)</u>	<u>7,290,984</u>	<u>-</u>	<u>43,733,872</u>
Buildings and structures	44,106,833	-	-	-	44,106,833
Right-to-use building and structure	-	-	2,551,402	-	2,551,402
Machinery and equipment	5,887,264	-	132,189	-	6,019,453
Right-to-use machinery and equipment	-	-	497,564	-	497,564
Vehicles	12,601,969	-	-	(224,707)	12,377,262
Infrastructure					
Streets / Roadways	64,690,887	5,136,001	-	-	69,826,888
Parks & Recreation	22,688,011	-	-	-	22,688,011
Investment in Joint Venture (RCC)	3,692,998	-	51,716	(46,655)	3,698,059
<b>Total Capital Assets, Being Depreciated</b>	<u>153,667,962</u>	<u>5,136,001</u>	<u>3,232,871</u>	<u>(271,362)</u>	<u>161,765,472</u>
Less Accumulated Depreciation:					
Buildings and Structures	14,669,590	-	854,618	-	15,524,208
Right-to-use building and structure	-	-	850,467	-	850,467
Machinery and Equipment	4,276,786	-	368,824	-	4,645,610
Right-to-use machinery and equipment	-	-	145,256	-	145,256
Vehicles	8,626,214	-	768,940	(186,148)	9,209,006
Infrastructure					
Streets / Roadways	36,418,203	-	1,547,645	-	37,965,848
Parks & Recreation	7,805,756	-	404,883	-	8,210,639
Investment in Joint Venture (RCC)	1,613,134	-	160,075	(46,655)	1,726,554
<b>Total Accumulated Depreciation</b>	<u>73,409,683</u>	<u>-</u>	<u>5,100,708</u>	<u>(232,803)</u>	<u>78,277,588</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>80,258,279</u>	<u>5,136,001</u>	<u>(1,867,837)</u>	<u>(38,559)</u>	<u>83,487,884</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 121,837,168</u>	<u>\$ -</u>	<u>\$ 5,423,147</u>	<u>\$ (38,559)</u>	<u>\$ 127,221,756</u>

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 6: Capital Assets and Depreciation (Continued)**

	Ending Balance June 30, 2021	Transfers	Increases additions	Decreases (deletions)	Ending Balance June 30, 2022
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated:					
Land - Water	\$ 307,967	\$ -	\$ -	\$ -	\$ 307,967
Land - Stormwater	857,650	-	-	-	857,650
Land - Parking	1,441,817	-	-	-	1,441,817
Construction-in-progress	18,894,589	(1,510,937)	16,102,484	-	33,486,136
<b>Total Capital Assets, Not Being Depreciated</b>	<b>21,502,023</b>	<b>(1,510,937)</b>	<b>16,102,484</b>	<b>-</b>	<b>36,093,570</b>
Capital assets, being depreciated:					
Buildings and structures - Parking	18,163,159	-	-	-	18,163,159
Machinery and equipment					
Parking	1,803,942	1,510,937	-	-	3,314,879
Water	34,369,244	-	-	-	34,369,244
Storm water	7,703,405	-	-	-	7,703,405
Wastewater	16,304,359	-	-	-	16,304,359
<b>Total Capital Assets, Being Depreciated</b>	<b>78,344,109</b>	<b>1,510,937</b>	<b>-</b>	<b>-</b>	<b>79,855,046</b>
Less Accumulated Depreciation:					
Buildings and structures - Parking	3,084,435	-	-	-	3,084,435
Machinery and equipment					
Parking	1,249,566	-	252,191	-	1,501,757
Water	15,257,768	-	626,679	-	15,884,447
Stormwater	4,769,316	-	147,650	-	4,916,966
Wastewater	7,578,528	-	315,097	-	7,893,625
<b>Total Accumulated Depreciation</b>	<b>31,939,613</b>	<b>-</b>	<b>1,341,617</b>	<b>-</b>	<b>33,281,230</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>46,404,496</b>	<b>1,510,937</b>	<b>(1,341,617)</b>	<b>-</b>	<b>46,573,816</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 67,906,519</b>	<b>\$ -</b>	<b>\$ 14,760,867</b>	<b>\$ -</b>	<b>\$ 82,667,386</b>

Depreciation expense was charged to functions of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 206,756
Public safety	1,143,530
Public works	481,720
Parks and recreation	2,451,197
Internal service funds	817,505
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 5,100,708</b>
<b>Business-Type Activities:</b>	
Water	\$ 626,675
Wastewater	315,097
Parking	252,195
Stormwater	147,650
<b>Total Depreciation Expense - Business-Type Activities</b>	<b>\$ 1,341,617</b>

**CITY OF MANHATTAN BEACH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022**

**Note 7: Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	Balance June 30, 2021	Adjustments *	Defeased	Additions	Deletions	Balance June 30, 2022	Due in One Year
<b>Governmental Activities:</b>							
Leases payable (Note 5)	\$ -	\$ 3,048,966	\$ -	\$ -	\$ 958,662	\$ 2,090,304	\$ 994,801
Certificates of participation:							
Marine Ave Park refunding COP Series 2016	4,730,000	-	-	-	320,000	4,410,000	335,000
2013 Police and Fire Refunding COP	6,635,000	-	-	-	545,000	6,090,000	560,000
2021 Fire Station No. 2 COP	-	-	-	7,440,000	105,000	7,335,000	125,000
2021 Pension Obligation Bonds	89,388,310	-	-	-	3,099,610	86,288,700	3,378,700
Total Governmental	<u>\$ 100,753,310</u>	<u>\$ 3,048,966</u>	<u>\$ -</u>	<u>\$ 7,440,000</u>	<u>\$ 5,028,272</u>	106,214,004	\$ 5,393,501
Unamortized premium						1,752,122	
						<u>\$ 107,966,126</u>	
<b>Business-Type Activities:</b>							
Certificates of participation							
2012 Metlox and Water/Wastewater Refunding COP	\$ 7,695,000	\$ -	\$ 6,985,000	\$ -	\$ 710,000	\$ -	\$ -
2021 Refunding COPs	-	-	-	5,925,000	-	5,925,000	590,000
2021 Pension Obligation Bonds	1,886,690	-	-	-	65,390	1,821,300	71,300
Total Business Type	<u>\$ 9,581,690</u>	<u>\$ -</u>	<u>\$ 6,985,000</u>	<u>\$ 5,925,000</u>	<u>\$ 775,390</u>	7,746,300	\$ 661,300
Unamortized premium						1,196,457	
						<u>\$ 8,942,757</u>	

\* Adjustments are the result of the GASB Statement No. 87 implementation.

**a. Marine Avenue Certificates of Participation Series 2016**

On November 9, 2016, the City issued \$5,905,000 Certificate of Participation Series 2016 (Marine Field Refunding) to refund the outstanding balance of the Variable Rate Demand Refunding Certificates of Participation Series 2002. The Certificates represents the proportionate interest on the lease payments to be made by the City as rent for the use of certain real property located in the City and consisting of the police department and fire department headquarter facility. The Certificates bear interest at a rate of 3% to 4% with principal ranging from \$265,000 to 465,000 and maturing on January 2033. The balance at June 30, 2022, includes an unamortized bond premium of \$283,774 which will be amortized over the life of the issue.

Annual debt service requirements to maturity for the Marine Avenue Certificates of Participation Series 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 335,000	\$ 150,300	\$ 485,300
2024	345,000	136,900	481,900
2025	360,000	123,100	483,100
2026	370,000	108,700	478,700
2027	390,000	93,900	483,900
2028-2032	2,145,000	266,550	2,411,550
2033	465,000	13,950	478,950
Total	<u>\$ 4,410,000</u>	<u>\$ 893,400</u>	<u>\$ 5,303,400</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 7: Long-Term Debt (Continued)**

In the event of a default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2016 certificates or pay debt service thereon. The city will be liable only for lease payments on an annual basis, and the trustee will be required to seek a separate judgment each year for the year's defaulted lease payments.

**b. 2013 Police and Fire Facility Refunding Certificates of Participation**

In February 2013, the City issued \$10,510,000 of Certificates of Participation, Series 2013, to advance refund the 2004 Police and Fire Certificates of Participation (2004 COP). The payments under the lease agreement are due January and July of each year until maturity in January 2032 and include interest rates ranging from 2% to 4%. The proceeds were used to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The balance at June 30, 2022, includes an unamortized bond premium of \$250,422 which will be amortized over the life of the issue.

The reacquisition price exceeded the net carrying amount of the old debt by \$595,473. This amount is being deferred as an outflow of resources and amortized over the remaining life of the refunded debt. The outstanding balance at June 30, 2022 is \$305,782.

Annual debts service requirements to maturity for the 2013 Police and Fire Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 560,000	\$ 215,263	\$ 775,263
2024	575,000	198,463	773,463
2025	600,000	175,463	775,463
2026	620,000	151,463	771,463
2027	650,000	126,663	776,663
2028-2032	3,085,000	279,231	3,364,231
Total	<u>\$ 6,090,000</u>	<u>\$ 1,146,546</u>	<u>\$ 7,236,546</u>

In the event of a default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the trustee is not empower to sell the leased premises and use the proceeds of such a sale to redeem the 2013 certificates or pay debt service thereon. The city will be liable only for lease payments on an annual basis, and the trustee will be required to seek a separate judgment each year for the year's defaulted lease payments.

**c. 2021 Fire Station COP**

In August 2021, the City of Manhattan Beach issued \$7,440,000 of Certificates of Participation (COP) to pay a portion of the costs to constructing and equipping a fire station and related improvements and pay certain costs of issuance. The payments under the lease agreement are due January and July of each year until maturity in January 2051 and include interest rates ranging from 3% to 5%. The COP includes an unamortized premium of \$1,217,926 at June 30, 2022, which will be amortized over the life of the issue.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 7: Long-Term Debt (Continued)**

Annual debt service requirements to maturity for the 2021 Fire Station Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	125,000	279,000	404,000
2024	135,000	272,750	407,750
2025	140,000	266,000	406,000
2026	145,000	259,000	404,000
2027	155,000	251,750	406,750
2028-2032	905,000	1,134,000	2,039,000
2033-2037	1,150,000	890,750	2,040,750
2038-2042	1,410,000	634,050	2,044,050
2043-2047	1,650,000	379,500	2,029,500
2048-2051	1,520,000	115,000	1,635,000
Total	<u>\$ 7,335,000</u>	<u>\$ 4,481,800</u>	<u>\$ 11,816,800</u>

In the event of default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the Trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2021 Certificates or pay debt service. The City will be liable for the Lease payment on an annual basis and the Trustee would be required to seek a separate judgement each year for the year's defaulted lease payments.

**d. 2012 Metlox and Water/Wastewater Refunding Certificates of Participation**

In July 2012, the City of Manhattan Beach issued \$12,975,000 of fixed rate Certificates of Participation (COP) to refund the City's 2003 Metlox Public Improvements Certificates of Participation and the 1996 Water and Wastewater Improvement Project Certificates of Participation. The payments under the lease agreement are due January and July of each year with interest rates ranging from 2% to 4% and mature through January 2032. In December 2021, the City issued \$5,925,000 Refunding Certificates of Participation Series 2021 to refund the 2012 Metlox and Water/Wastewater Refunding Certificates of Participation. The proceeds of the Refunding Certificates of Participation Series 2021 will be used to establish an Escrow Fund to refund and defease all the outstanding 2012 Certificates of Participation. The moneys deposited with the Escrow Agent will, together with any other funds held by the Escrow Agent, be sufficient to make full and timely payment of the principal and interest on the 2012 Certificates. As a result, the 2012 Certificates of Participation is now defeased. The defeasance of the 2012 Certificates of Participation with the Refunding Certificates of Participation Series 2021 resulted in a net present value saving of \$746,043.

**e. 2021 Refunding Certificates of Participation**

In November 2021, the City of Manhattan Beach issued \$5,925,000 of fixed rate Refunding Certificates of Participation Series 2021 to refund the Certificates of Participation (Metlox and Water/Wastewater Refunding) Series 2012 ("the Certificates"). The payments under the lease agreement are due January and July of each year with an interest rate of 5% and mature through 2032. The COP includes an unamortized premium of \$1,196,457 at June 30, 2022, which will be amortized over the life of the issue.



CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 7: Long-Term Debt (Continued)**

Annual debt service requirements to maturity for the 2021 Fire Station Certificates of Participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 590,000	\$ 161,292	\$ 751,292
2024	640,000	266,750	906,750
2025	670,000	234,750	904,750
2026	705,000	201,250	906,250
2027	490,000	166,000	656,000
2028-2032	2,830,000	437,750	3,267,750
Total	<u>\$ 5,925,000</u>	<u>\$ 1,467,792</u>	<u>\$ 7,392,792</u>

In the event of default, there is no remedy of acceleration of the total lease payments due over the term of the lease agreement and the Trustee is not empowered to sell the leased premises and use the proceeds of such a sale to redeem the 2021 Certificates or pay debt service. The City will be liable for the Lease payment on an annual basis and the Trustee would be required to seek a separate judgement each year for the year's defaulted lease payments.

**f. 2021 Taxable Pension Obligation Bonds**

In May 2021, the City of Manhattan Beach issued \$91,275,000 of Taxable Pension Obligation Bonds (POB). The bonds were issued to pay the City's unfunded accrued actuarial liability to the California Public Employees Retirement System with respect to the City's defined benefit retirement plans for City employees. The payments under the agreement are due January and July of each year with interest rates ranging from 0.12% to 2.79% and mature through January 2043.

Annual debt service requirements to maturity for the 2021 Taxable Pension Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	3,450,000	2,072,521	5,522,521
2024	3,465,000	2,063,068	5,528,068
2025	3,495,000	2,043,872	5,538,872
2026	3,530,000	2,009,411	5,539,411
2027	3,580,000	1,967,546	5,547,546
2028-2032	18,965,000	8,818,544	27,783,544
2033-2037	21,410,000	6,467,981	27,877,981
2038-2042	24,780,000	3,180,104	27,960,104
2043	5,435,000	169,300	5,604,300
Total	<u>\$ 88,110,000</u>	<u>\$ 28,792,347</u>	<u>\$ 116,902,347</u>

The bonds are not secured by any property other than the funds that the City has actually deposited with the trustee. If the City is in bankruptcy, it may not be obligated to make any further deposits with the Trustee, it may not be obligated to make any further allocations to the Bonds, and it may not be obligated to turn over to the Trustee any moneys that have been allocated to the Bonds in the City treasury. As a result, the Bonds would likely be treated as unsecured obligations of the City in the bankruptcy case.

**CITY OF MANHATTAN BEACH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2022**

**Note 8: Compensated Absences**

At June 30, 2022, the total citywide accrued liability for compensated absences amounted to \$4,769,263. \$4,652,548 relates to general government services and \$116,715 to business-type activities. The governmental activities liability is generally liquidated by the General Fund and the business-type activities liabilities are liquidated by the corresponding proprietary funds. The following is a summary of changes in compensated absences liabilities for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due in One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 4,839,426	\$ 2,888,821	\$ 3,075,699	\$ 4,652,548	\$ 833,294
<b>Business-Type Activities:</b>					
Compensated Absences	114,256	79,616	77,157	116,715	20,904
Total Business Type	<u>\$ 4,953,682</u>	<u>\$ 2,968,437</u>	<u>\$ 3,152,856</u>	<u>\$ 4,769,263</u>	<u>\$ 854,198</u>

**Note 9: Non-City Obligation**

Reported in the custodial fund are special assessment tax bonds related to various special assessment districts included within the City. In March 2018, the City refunded the outstanding bonds for Underground Assessment Districts 04-1, 04-3, 04-5, 05-2 and 05-6. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The amount refunded was \$6,245,000. The sources of the refunding were bond proceeds of \$4,995,000, balance in the capital improvement fund, current year assessments, and net reduction in bond reserve requirements. In December 2019, the City issued two separate limited obligation improvement bonds totaling \$9,390,000 under provisions of the Improvement Bond Act of 1915, for Underground Assessment Districts 19-12 and 19-14 and in March 2020, the City issued \$5,245,000 for Underground District 19-4. These bonds were issued for the purpose of financing the construction of certain public improvements within the underground utility assessment districts. The bonds are secured solely by the subject properties and the amounts held in respective reserve and bond funds. The bonds are not secured by the general taxing power of the City of Manhattan Beach and the City has not pledged credit for payment thereof. The debt outstanding as June 30, 2022, consists of the following:

Description	Original Amount	Outstanding 6/30/2022
Reassessment District No. 2018 Limited Obligation Refunding Binds, Series 2018	\$ 4,995,000	\$ 2,925,000
Assessment District No. 19-12 Limited Obligation Improvement Bonds, 2019 Series A	4,605,000	4,420,000
Assessment District No. 19-14 Limited Obligation Improvement Bonds 2019, Series A	4,785,000	4,590,000
Assessment District No. 19-4 Limited Obligation Improvement Bonds, 2020 Series A	5,245,000	5,030,000
Total		<u>\$ 16,965,000</u>

**Note 10: CalPERS Retirement Plans**

	Net Pension Liability/(Asset)	Deferred Pension Outflows	Deferred Pension Inflows	Pension Expense/(Income)
<b>CalPERS Plans</b>				
Miscellaneous Plan	\$ (16,404,297)	\$ 1,989,211	\$ (11,044,067)	\$ (551,307)
Safety - Police Plan	(24,273,686)	44,423,679	(27,529,127)	(31,104,211)
Safety - Fire Plan	(11,210,767)	20,790,918	(12,278,027)	(14,295,034)
Total CalPERS	<u>(51,888,750)</u>	<u>67,203,808</u>	<u>(50,851,221)</u>	<u>(45,950,552)</u>
<b>City Plans</b>				
Supplemental Retirement Plan	52,385	-	-	(6,055)
Single Highest Year Plan	118,015	-	-	(12,830)
Total City Plans	<u>170,400</u>	<u>-</u>	<u>-</u>	<u>(18,885)</u>
Total	<u>\$ (51,718,350)</u>	<u>\$ 67,203,808</u>	<u>\$ (50,851,221)</u>	<u>\$ (45,969,437)</u>

**Note 10: CalPERS Retirement Plans (Continued)**

**a. Miscellaneous Employee Pension Plan**

***Plan Description***

The Miscellaneous Plan of the City of Manhattan Beach is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in their respective June 30, 2020 Annual Actuarial Valuation Reports. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

***Benefit Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The plan provisions and benefits in effect at June 30, 2021 measurement date, are summarized as follows:

	Miscellaneous Plan	
	Tier I *	PEPRA
Hire date	Prior to or on December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418% 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.000%	7.250%
Required employer contribution rates (1)	9.100%	9.100%

\* Closed to new entrants  
 (1) Blended rate.

Benefit payments are calculated using the benefit formula above multiplied by the number of years of service and highest single year of compensation for Tier 1 or highest three year average of compensation for PEPRA.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 10: CalPERS Retirement Plans (Continued)**

At June 30, 2022, the following employees were covered by the benefit terms of the plan:

Description	Number of Participants Miscellaneous Plan	
	Classic	PEPRA
Active members	130	174
Transferred members	113	27
Terminated members	253	107
Retired members and beneficiaries	186	7
Total	682	315

**Contribution Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2022, the employer contributions recognized as an addition to net pension asset for the Miscellaneous Plan was \$31,985,066.

**Net Pension Liability/(Asset)**

The City's net pension liability/(asset) is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability/(asset) of the Miscellaneous Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020. A summary of principal assumptions and methods used to determine the net pension liability/(asset) is shown below.

**Note 10: CalPERS Retirement Plans (Continued)**

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability/(Asset)***

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**Changes of Assumptions**

For the measurement date of June 30, 2021, there were no changes in assumptions.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

Note 10: CalPERS Retirement Plans (Continued)

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (2)</u>	<u>Real Return Years 11+ (3)</u>
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Asset	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(1) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.0% used for this period.

(3) An expected inflation of 2.92% used for this period.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Subsequent Events**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 10: CalPERS Retirement Plans (Continued)**

***Changes in the Net Pension Liability/(Asset)***

The following table shows the changes in net pension liability/(asset) recognized over the measurement period.

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2020 (Valuation Date)	\$ 122,455,775	\$ 93,984,083	\$ 28,471,692
Changes Recognized for the Measurement Period:			
Service Cost	2,650,267	-	2,650,267
Interest on the Total Pension Liability	8,598,669	-	8,598,669
Difference between Expected and Actual Experience	(820,321)	-	(820,321)
Contribution from the Employer	-	31,975,816	(31,975,816)
Contributions from Employees	-	1,231,319	(1,231,319)
Net Investment Income	-	22,191,353	(22,191,353)
Benefit Payments including Refunds of Employee Contributions	(5,398,971)	(5,398,971)	-
Administrative Expense	-	(93,884)	93,884
Net Changes During 2020-21	5,029,644	49,905,633	(44,875,989)
Balance at: 6/30/2021 (Measurement Date)	\$ 127,485,419	\$ 143,889,716	\$ (16,404,297)

***Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate***

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability/(Assets)	\$ 731,982	\$ (16,404,297)	\$ (30,511,037)

***Pension Plan Fiduciary Net Position***

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

Note 10: CalPERS Retirement Plans (Continued)

***Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

As of the start of the measurement period (July 1, 2020), the net pension liability was \$28,471,692. For the measurement period ending June 30, 2021 (the measurement date), the City incurred a pension expense/(income) of \$(551,307) for the Plan.

As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
City pension contributions subsequent to measurement date	\$ 1,615,275	\$ -
CalPERS deferrals		
Difference between expected and actual experience	373,936	(563,971)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(10,480,096)
Total CalPERS deferrals	373,936	(11,044,067)
Total	\$ 1,989,211	\$ (11,044,067)

\$1,615,275 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Net Deferred Outflows/(Inflows) of Resources
2022	\$ (2,559,837)
2023	(2,642,876)
2024	(2,568,748)
2025	(2,898,670)
	\$ (10,670,131)

***Amortization of Deferred Outflows and Deferred Inflows of Resources***

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.



**Note 10: CalPERS Retirement Plans (Continued)**

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The EARSL for the Plan for the measurement period ending June 30, 2021 is 3.2 years, which was obtained by dividing the total service years of 2,615 (the sum of remaining service lifetimes of the active employees) by 808 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**b. Safety Police Pension Plan and Safety Fire Pension Plan**

***Plan Description***

All qualified permanent and probationary safety employees are eligible to participate in the Safety Risk Pool Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a safety risk pool, which are comprised of individual employer safety rate plans, respectively. Individual employers may sponsor more than one safety rate plan. Each individual employer rate plan generally has less than 100 active members.

***Benefits Provided***

The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2019 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/page/forms-publications>.

**CITY OF MANHATTAN BEACH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022**

**Note 10: CalPERS Retirement Plans (Continued)**

Below is a summary of the plan provisions and benefits in effect at June 30, 2021 measurement date, for which the City of Manhattan Beach has contracted:

	Safety Police Plan		Safety Fire Plan	
	Tier I *	PEPRA	Tier I *	PEPRA
Hire date	Prior to or on December 31,2012	On or after January 1, 2013	Prior to or on December 31,2012	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.000%, 50+ yrs	2.700%, 50 yrs - 57+ yrs,	3.000%, 50 yrs - 55+ yrs,	2.700%, 50 yrs - 57+ yrs,
Required employee contribution rates	9.000% (1)	13.750%	9.000% (1)	13.750%
Required employer contribution rates	25.540% (3)	13.980%	26.92% (2)	13.980%
Management safety				
Employee	9.000%	13.750%	9.000%	13.750%
Employer	25.590%	13.980%	23.620%	13.980%

\* Closed to new entrants

(1) Not including 3% cost share, which would increase rate to 12%.

(2) Not including cost share, which will lower rate to 22.558%.

(3) Not including cost share, which will lower rate to 22.540%.

Benefit payments are calculated using the benefit formula above multiplied by the number of years of service and highest single year of compensation for Tier 1 or highest three year average of compensation for PEPRA.

**Employees Covered**

At June 30, 2022 measurement date, the following employees were covered by the benefit terms of the Plan:

Description	Number of members			
	Safety Police Plan		Safety Fire Plan	
	Classic	PEPRA	Classic	PEPRA
Active members	44	16	26	1
Transferred members	11	2	2	1
Terminated members	8	4	3	-
Retired members and beneficiaries	127	-	53	-
Total	190	11	84	2

**Contribution Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the employer contributions recognized as a reduction to the net pension liability was \$46,911,463 for the Safety Police Plan and \$21,877,490 for the Safety Fire Plan for a total of \$68,788,953 for the safety plans.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

Note 10: CalPERS Retirement Plans (Continued)

***Pension Liabilities/Assets, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

The City of Manhattan Beach reported net a pension asset at June 30, 2022, of \$24,273,686 and \$11,210,767 for its proportionate shares of the Safety Police Plan and the Safety Fire Plan respectively.

The City's net pension liability/(asset) for the safety plan is measured as the proportionate share of the net pension liability/asset. The net pension liability/(asset) of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2020. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability/(asset) for the safety plan as of June 30, 2020 and 2021, was as follows:

	<u>Safety Fire Plan</u>	<u>Safety Police Plan</u>
Proportion - June 30, 2020	0.168606%	0.364005%
Proportion - June 30, 2021	0.037940%	0.056439%
Changes - Increase (Decrease)	-0.130666%	-0.307566%

For the year ended June 30, 2022, the City recognized pension expense/(income) of \$(31,104,211) and (\$14,295,034) for the Safety Police Plan and the Safety Fire Plan respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Safety - Police</u>		<u>Safety - Fire</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City pension contribution subsequent to measurement date	\$ 1,824,686	\$ -	\$ 973,791	\$ -
CalPERS Deferrals:				
Difference between expected and actual experience	-	(4,147,139)	-	(1,915,350)
Net difference between projected and actual earnings on pension plan investments	14,447,510	-	6,672,560	-
Adjustment due to difference in proportions	800,788	(22,411,385)	528,297	(9,925,357)
Difference in proportionate share	27,350,695	(970,603)	12,616,270	(437,320)
Total CalPERS Deferrals	42,598,993	(27,529,127)	19,817,127	(12,278,027)
<b>Total</b>	<b>\$ 44,423,679</b>	<b>\$ (27,529,127)</b>	<b>\$ 20,790,918</b>	<b>\$ (12,278,027)</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 10: CalPERS Retirement Plans (Continued)**

\$1,824,686 and \$973,791 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Net Deferred Outflows/ (inflows of Resources)	
	Safety Police Plan	Safety Fire Plan
2022	\$ 3,078,464	\$ 1,779,568
2023	3,845,723	1,891,244
2024	4,169,928	2,032,094
2025	3,975,751	1,836,194
Total	\$ 15,069,866	\$ 7,539,100

**Actuarial Methods and Assumptions**

The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020. The collective total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**Changes of Assumptions**

For the measurement date of June 30, 2021, there were no changes in assumptions.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 10: CalPERS Retirement Plans (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

<u>Asset Class (1)</u>	<u>Assume Asset Allocation</u>	<u>Real Return Years 1 - 10 (2, 4)</u>	<u>Real Return Years 11+ (3, 4)</u>
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Asset	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (1) In the System's Annual Comprehensive Financial Report (ACFR), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation of 2.0% used for this period.
- (3) An expected inflation of 2.92% used for this period.
- (4) Figures are based on previous ALM of 2017

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Subsequent Events**

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next years, while at the same time retaining the current target rate of return. The Board also approved adding 5 percent leverage to increase investment diversification. The new asset allocation takes effect July 1, 2022 and is expected to decrease employer contribution rates from less than 1 percent to a decrease of more than 2 percent depending on the plan type. Employees in the PEPRA plans will likely see increases in their contribution rates. Contribution changes will take effect in fiscal year 2023-24.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 10: CalPERS Retirement Plans (Continued)**

***Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate***

The following presents the City's proportionate share of the net pension liability/(asset) of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.15 percent) or 1% point higher (8.15 percent) than the current rate:

PERS Cost Sharing Plans	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Safety police	\$ (3,779,433)	\$ (24,273,686)	\$ (41,107,185)
Safety Fire	(1,158,746)	(11,210,767)	(19,467,260)

***Pension Plan Fiduciary Net Position***

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

**Note 11: City Retirement Plans**

	Total Pension Liability	Pension Expense/(Income)
Supplemental Retirement Plan	\$ 52,385	\$ (6,055)
Single Highest Year Plan	118,015	(12,830)
Total	\$ 170,400	\$ (18,885)

**a. Supplemental Retirement Plan**

**General Information about the Pension Plan**

***Plan Description***

The Supplemental Retirement Plan is a single employer defined benefit pension plan that covers Police, Fire and Management/Confidential employees who retired prior to January 1995. This plan is currently dormant and does not issue a separate annual financial report.

***Benefits Provided***

The plan provides the employee the difference between the benefit provided by the California Public Employees Retirement System (PERS) calculated under the life annuity option and the PERS benefit had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The plan states, "The City shall pay each retiring officer, sergeant, lieutenant, firefighter and management employee upon retirement, a monthly amount which would make up the difference for that option of which the officer will receive from PERS under Government Code Section 21330 through 21335 and what only the officer would have received while alive had the City adopted the Police Officers' Standards and Training (POST) widows and orphans salary continuation plan. The payment shall be made to

**Note 11: City Retirement Plans (Continued)**

the officer only while the officer is alive and will cease upon death. Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual’s retirement allowance.” The benefit is payable for the life of the employee. The benefit is subject to a 2% annual cost-of-living increase. This plan is currently dormant.

**Employees Covered**

Employees covered includes sworn law enforcement officers, fire and management/confidential employees who retired prior to January 1995. Therefore, the plan is dormant. The number of participants covered under the plan as of June 30, 2022, was as follows:

Retirees and beneficiaries receiving benefits	
Miscellaneous	3

**Total Pension Liability**

The total pension liability of \$52,385 for the plan is measured as of June 30, 2022 using an annual actuarial valuation dated June 30, 2022. The City is funding the plan on a pay as you go basis.

**Actuarial Assumptions**

A summary of principal assumptions and methods used to determine the pension liability is shown below.

Valuation Date	June 30, 2022
Measurement date	June 30, 2022
Actuarial cost method:	Entry age
Pre-retirement mortality rates	2017 CalPERS Retiree Mortality for Miscellaneous Employees
Asset valuation method	Fair Market Value
Inflation Rate	2.50% per year
Discount rate	3.54 % based on the Bond Buyer 20 Bond Index

The City incurred the accrued liabilities of active participants under the City’s PERS plan as of January 1995. The City’s remaining obligation is to fund the benefits for those participants who were then and are currently retired.

**Change of Assumptions**

In 2022, the accounting discount rate increased from 2.16 percent to 3.54 percent.

**Discount Rate**

The discount rate used to measure the total pension liability was based on the Bond Buyer 20 Bond Index.

**Note 11: City Retirement Plans (Continued)**

***Change in Total Pension Liability***

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2021	\$ 59,219	\$ -	\$ 59,219
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	1,143	-	1,143
Difference between Expected and Actual Experience	(2,564)	-	(2,564)
Changes of Assumptions	7,476	-	7,476
Employer Contributions as Benefit Payments	-	12,889	(12,889)
Actual Benefits Payments from Employer	(12,889)	(12,889)	-
Net Changes During 2021-22	(6,834)	-	(6,834)
Balance at: 6/30/2022	\$ 52,385	\$ -	\$ 52,385

***Sensitivity of the Total Pension Liability to Change in the Discount Rate***

The following presents the total pension liability of the Plan, calculated using the discount rate of 3.54%, as well as what the Employer's total pension liability would be if it were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current rate:

	1% Lower (2.54%)	Current Discount Rate (3.54%)	1% Higher (4.54%)
Total pension liability	\$ 54,140	\$ 52,385	\$ 50,752

***Pension Expense***

Pension expense/(income) for fiscal year 2021-22 of (\$6,055) is equal to cash payments of \$12,889 less reduction in total pension liability of \$6,834.

**b. Single Highest Year Plan**

**General Information about the Pension Plan**

***Plan Description***

The Single Highest Year Plan is a single employer defined benefit pension plan of the City. This plan was adopted effective January 1, 1990, covering Management/Confidential Employees and Non-management/Confidential Sworn Police Employees on July 1, 1990, and is for employees who retired prior to May 1993. The plan is known as the City Funded Single Highest Year Plan. This plan is currently dormant and does not issue a separate annual financial report.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

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**Note 11: City Retirement Plans (Continued)**

***Benefits Provided***

The plan pays a retiring employee the difference between the pension payable from PERS and what the PERS pension would be if it were based on the single highest year only. "The payment shall be made to the member only while the member is alive and will cease upon death." Upon retirement, the right to their payment shall be regarded as a vested pension benefit to the same extent as the individual's PERS retirement. Benefits vest after five years of service. Retirees must qualify for PERS retirement to qualify for the Single Highest Year Plan. The benefit is payable for the life of the employee and is subject to a 2% annual cost of living increase.

***Employees Covered***

Employees covered include sworn law enforcement officers, fire, management or confidential and miscellaneous employees who retired prior to May 1993. Therefore, the plan is dormant. The number of participants covered under the plan as of June 30, 2022, was as follows:

Retirees receiving benefits	
Miscellaneous	1
Safety	3
	<hr/>
Total	4
	<hr/> <hr/>

***Total Pension Liability***

The total pension liability of \$118,015 for the plan is measured as of June 30, 2022 using an annual actuarial valuation dated June 30, 2022. The City is funding the plan on a pay as you go basis.

***Actuarial Assumptions***

A summary of principal assumptions and methods used to determine the pension liability is shown below.

Valuation Date	June 30, 2022
Measurement date	June 30, 2021
Actuarial cost method:	Entry age
Pre-retirement mortality rates	2017 CalPERS Retiree Mortality for Miscellaneous Employees
Asset valuation method	Fair Market Value
Inflation Rate	2.50% per year
Discount rate	3.54 % based on the Bond Buyer 20 Bond Index

The City incurred the accrued liabilities of active participants under the City's PERS plan as of May 1993. The City's remaining obligation is to fund the benefits for those participants who were then and are currently retired.

***Change of Assumptions***

In 2022, the accounting discount rate increased from 2.16 percent to 3.54 percent.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 11: City Retirement Plans (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was based on the Bond Buyer 20 Bond Index.

**Change in Total Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: June 30, 2021	\$ 125,489	\$ -	\$ 125,489
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	2,421	-	2,421
Difference between Expected and Actual Experience	15,842	-	15,842
Changes of Assumptions	(5,433)	-	(5,433)
Employer Contributions as Benefits Payments	-	20,304	(20,304)
Actual Benefit Payment from Employer	(20,304)	(20,304)	-
Net Changes During 2021-22	<u>(7,474)</u>	<u>-</u>	<u>(7,474)</u>
Balance at: June 30, 2022	<u>\$ 118,015</u>	<u>\$ -</u>	<u>\$ 118,015</u>

**Sensitivity of the Total Pension Liability to Change in the Discount Rate**

The following presents the total pension liability of the Plan, calculated using the discount rate of 3.54%, as well as what the Employer's total pension liability would be if it were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current rate:

	1% Lower (2.54%)	Current Discount Rate (3.54%)	1% Higher (4.54%)
Total pension liability	\$ 121,971	\$ 118,015	\$ 114,339

**Pension Expense**

Pension expense/(income) for fiscal year 2021-22 of (\$12,830) is equal to cash payment of \$20,304 less reduction in total pension liability of \$7,474.

**c. Payable to the Pension Plan**

For the Supplemental Retirement Plan and the Single Highest Year Plan, the City's remaining obligation is to fund the benefits for those participants who are currently retired. The City has assigned \$58,007 of the General Fund's fund balance to pay future benefits.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 12: Post-Employment Benefits Plan**

***Plan Description - City of Manhattan Beach Retiree Medical Program***

The City Retiree Medical Program is a Single Employer Plan that provides a fixed stipend to qualifying retirees and a contribution to all retirees enrolled in PERS medical plan. The City of Manhattan Beach contracts with PERS to participate in the Public Employee Medical and Hospital Care Act (PEMHCA). Under this contract, both active employees and retirees are provided access to health insurance.

***Benefits Provided***

The following is a description of the current retiree benefit plan under the employee Memoranda of Understanding (MOU):

	Firefighters	General Employees	Non-sworn Management	Police Officers
Benefit types provided	Contribution of HRA	Contribution of HRA	Contribution of HRA	Contribution of HRA
Duration of benefits	To age 65	To age 65	To age 65	To age 65
Required service	20 years	15 years	15 years	20 years in law enforcement ***
Minimum age	50	50	50	50
Dependent coverage	n/a *	n/a *	n/a *	n/a *
Contribution	\$400 per month **	\$250 per month **	\$400 per month for Department Heads \$250 per month for others	\$400 per month **

\* Contribution to HRA does not vary by dependent content

\*\* \$300 per month for firefighters retiring prior to August 1, 2008. \$300 for police hired before December 31, 2007.

\*\*\* 10 years with the City

***Employees Covered***

As of the June 30, 2021 actuarial measurement date, the following current and former employees were covered by the benefit terms under the PEMHCA Plan:

Inactive employees currently receiving benefits payment	135
Participating active employees	274
Total	409

***Contributions***

The plan is financed via actuarially determined contributions deposited into a trust fund managed by PERS. PERS has dual independent capacities as a provider of medical plans and as a trustee. In its capacity as a trustee, PERS will be referred to as CERBT (California Employees' Retirement Benefit Trust). City payments to employees and PERS will be reimbursed by payments from CERBT. For fiscal year 2021, the City paid \$362,643 for retiree medical benefits and was reimbursed \$362,643 from CERBT.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 12: Post-Employment Benefits Plan (Continued)**

***Net OPEB Liability***

The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry Age
Actuarial Assumptions:	
Discount Rate	4.06% per year net of expenses
Inflation	2.5% per year
Salary Increase	2.75% per year
Healthcare Trend	
Mortality	2017 CalPERS mortality for active safety employees 2017 CalPERS mortality for active safety employees 2017 CalPERS active mortality for miscellaneous employees
Retirement Rates	Police: Hired 2013 and later: 2017 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2017 CalPERS 3.0%@50 Rates for Police Employees Firefighters: Hired 2013 and later: 2017 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2017 CalPERS 3.0%@55 Rates for Police Employees Miscellaneous: Hired 2012 and earlier: 2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for Police Employees

***Expected Long-Term Rate of Return***

<u>Asset Class Component</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
All Equities	40%	7.545%
All Fixed Income	43%	4.250%
Real Estate Investment Trusts	8%	7.250%
All Commodities	4%	7.545%
Treasury Inflation Protected Securities (TIPS)	5%	3.000%

***Discount Rate***

The discount rate used to measure the total OPEB liability was 4.06%. The rate used for the plan is the real rate of return expected for the plan assets plus the long term inflation assumption.

***Change of Assumptions***

In 2021, the accounting discount rate increased from 3.85 percent to 4.06 percent.

**Note 12: Post-Employment Benefits Plan**

***Changes in the Net OPEB Liability***

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2020 Measurement Date	\$ 19,203,210	\$ 10,952,113	\$ 8,251,097
Changes recognized for the measurement period:			
Service cost	912,539	-	912,539
Interest on total OPEB liability	741,118	-	741,118
Employer contributions**	-	500,355	(500,355)
Expected investment income	-	701,127	(701,127)
Administrative expenses	-	(4,002)	4,002
Actual benefit payments from trust	(327,095)	(327,095)	-
Actual benefit payments from employer	(500,355)	(500,355)	-
Expected minus actual benefit payments *	8,110	-	8,110
Experience (gains)/losses	(2,139,728)	-	(2,139,728)
Changes in assumptions	(47,483)	-	(47,483)
Investment gains/(losses)	-	1,469,219	(1,469,219)
Net changes	(1,352,894)	1,839,249	(3,192,143)
Balance at June 30, 2021 Measurement Date	\$ 17,850,316	\$ 12,791,362	\$ 5,058,954

\* Deferrable as an Experience Gain or Loss.

\*\* Includes \$500,355 implied rate subsidy.

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Net OPEB Liability	\$ 7,134,450	\$ 5,058,954	\$ 3,319,967

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 3,136,754	\$ 5,058,954	\$ 7,449,134

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 12: Post-Employment Benefits Plan**

***OPEB Plan Fiduciary Net Position***

CERBT issues a publicly available financial report that includes financial statements and required supplementary information available on the CalPERS website under the California Employers' Retiree Benefit Trust (CERBT) Fund.

***OPEB Expense, Deferred Outflows/Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$1,108,336. As of June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 8,294	\$ (2,096,894)
Change in assumptions	8,527,350	(42,321)
Net differences between projected and actual return on assets	-	(1,135,033)
<b>Total</b>	<b>\$ 8,535,644</b>	<b>\$ (3,274,248)</b>

The deferred outflows and deferred inflows of resources related to OPEB will be recognized as expense as follows:

<b>Year ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2023	\$ 652,157
2024	648,706
2025	661,885
2026	640,806
2027	934,646
Thereafter	1,723,196
	<b>\$ 5,261,396</b>

**Note 13: Retirement Plan for Part-Time, Seasonal and Temporary Employees**

On June 6, 1997, the City dissolved the City-administered retirement plan for part-time, seasonal and temporary employees and selected the Public Agency Retirement System (PARS) as the retirement program for this group.

The PARS plan is a defined contribution pension plan, which is administered by PARS. Benefits and funding requirements are determined by PARS' governing board. All members' earnings are subject to contribution from the employee and the employer. Historically, the contribution rate for both employee and employer has been 3.75% of payroll. In April 2011, the City exercised its option not to pick up 50% share of the required 7.50%. Consequently, for fiscal year ending June 30, 2022, 100% of contribution is derived from employee deduction.

Total payroll for employees covered by this plan for the year was \$1,353,065. The amount of employee contribution was \$101,480.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 14: Risk Management**

The City is exposed to various risks of losses related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City adopted a self-insured workers' compensation program that is administered by City staff and a claims administrator.

The City is a member of the CSAC-Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for California 95% of counties, 68% of California cities, as well as numerous California educational organizations, special districts, housing authorities, fire districts, and other Joint Powers Authorities. The City pays an annual premium to the pool for its excess insurance coverage including property (earthquake, flood and all risk), workers' compensation and general liability. The City also purchased separate dedicated earthquake limits for the public safety facility and other key structures.

For workers' compensation, the City is self-insured for the first \$750,000 on each claim with excess coverage up to statutory limits. For general liability, the City is self-insured for the first \$500,000 on each claim with excess coverage up to a limit of \$25,000,000.

The City is insured for property losses with a deductible of \$10,000 for all-risk (fire and theft) and earthquake loss with a deductible of 2% or minimum \$100,000, whichever is greater.

Claims expenditures and liabilities (general and worker's compensation) are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the City's best estimate based on available information.

Reserves for open claims have been established in accordance with an analysis performed by a third-party claims' administrator. In addition, reserves for incurred but not reported claims have been estimated based on actuarial valuation. Total reserves for both workers' compensation and general liability at June 30, 2022 are as follows:

	Estimated Claims Value at Fiscal Year End	Additional Reserves for Incurred But Not Report Claims	Total Claims Reserve
Workers' Compensation Claims	\$ 9,036,287	\$ 6,348,000	\$ 15,384,287
General Liability Claims	1,737,238	682,500	2,419,738
	<u>\$ 10,773,525</u>	<u>\$ 7,030,500</u>	<u>\$ 17,804,025</u>

**CITY OF MANHATTAN BEACH**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022**

**Note 14: Risk Management (Continued)**

The following is a summary of the changes in the claim liability over the past two fiscal years.

Fiscal Year	Beginning Balance	Increase	Decrease	Ending Balance
2020-2021				
Workers'comp	\$ 14,905,073	\$ 3,649,906	\$ 2,843,438	\$ 15,711,541
General liabilities	2,716,253	643,743	1,018,122	2,341,873
Total	\$ 17,621,326	\$ 4,293,649	\$ 3,861,560	\$ 18,053,414
2021-2022				
Workers'comp	\$ 15,711,541	\$ 129,700	\$ 456,954	\$ 15,384,287
General liabilities	2,341,873	353,802	275,937	2,419,738
Total	\$ 18,053,414	\$ 483,502	\$ 732,891	\$ 17,804,025

During the past three fiscal (claims) years, none of the above programs has had settlements or judgments that exceed pooled or insured coverage. There have been no significant reductions in pooled or insured coverages from coverage in the prior year.

The Excess Insurance Authority (EIA) has published its own annual comprehensive financial report for the year ended June 30, 2021, which can be obtained at the following link: <https://www.prismrisk.gov/resources/prism-documents/financial-information/annual-comprehensive-financial-report-acfr/acfr-fy-ended-6-30-21/>

**Note 15: Joint Ventures and Jointly Governed Organizations**

**a. Joint Venture**

South Bay Regional Public Communications Authority

The City is a member of the South Bay Regional Public Communications Authority (SBRPCA), a joint powers authority of the cities of Manhattan Beach, Gardena and Hawthorne. SBRPCA was formed October 14, 1975, for the purpose of financing a public safety communications system for the member cities. The Governing Board is composed of an elected official of each member city. An executive committee is composed of the city managers of each member city. The City's participation percentage at June 30, 2022, was 22.7%.



CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 15: Joint Ventures and Jointly Governed Organizations (Continued)**

Summarized audited financial information for SBRPCA at June 30, 2021\*, is presented below:

Statement of Net Position

Assets	
Current assets	\$ 5,514,814
Noncurrent assets	8,688,104
Total Assets	<u>14,202,918</u>
Deferred Outflows of Resources	<u>3,129,376</u>
Liabilities	
Current liabilities	1,305,328
Noncurrent liabilities	12,000,032
Total Liabilities	<u>13,305,360</u>
Deferred Inflows of Resources	<u>984,928</u>
Net Position	<u><u>\$ 3,042,006</u></u>

Statement of Activities

Operating Revenues	\$ 10,731,249
Operating Expenses	<u>12,368,139</u>
Operating income before depreciation	<u>(1,636,890)</u>
Depreciation	<u>-</u>
Operating income/loss	<u>(1,636,890)</u>
Non-operating revenues (expenses):	
Interest earnings	8,509
Contributed Capital	<u>-</u>
Non operating revenues (expenses)	<u>8,509</u>
Change in net position	(1,628,381)
Net Position - June 30, 2020	<u>4,670,387</u>
Net Position - June 30, 2021	<u><u>\$ 3,042,006</u></u>

\*Most current information available. SBRPCA has issued its own separate financial statements, which are available at 4440 W. Broadway, Hawthorne, California 90250.

**Note 15: Joint Ventures and Jointly Governed Organizations (Continued)**

**b. Jointly Governed Organization**

Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force

The City of Manhattan Beach is a member of Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. The Organization was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking enterprise and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from the asset seizures based on their respective contribution to the effort.

Summarized audited financial information for L.A. IMPACT at June 30, 2021\*, is presented below:

Statement of Net Position

Assets

Current assets	\$ 7,213,943
Noncurrent assets	1,422,946
Total Assets	<u>8,636,889</u>

Liabilities

Current liabilities	309,229
Noncurrent liabilities	88,168
Total liabilities	<u>397,397</u>
Net Position	<u>\$ 8,239,492</u>

Statement of Activities

Program Revenues	\$ 4,216,912
Expenses	<u>(3,128,931)</u>
Excess of Revenues Over Expenses	<u>1,087,981</u>
Non operating revenues (expenses)	
Investment earnings	17,223
Non operating revenues (expenses)	<u>17,223</u>
Change in net position	1,105,204
Net Position - June 30, 2020	<u>7,134,288</u>
Net Position - June 30, 2021	<u>\$ 8,239,492</u>

\*LA Impact has issued its own separate financial statements, which are available at 5700 S. Eastern Avenue, Commerce, California 90040.

CITY OF MANHATTAN BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

**Note 16: Commitments and Contingencies**

**Contingencies**

There are certain claims and lawsuits pending against the City that seek monetary damages. Potential liabilities due to these claims are accounted for in the Insurance Reserve Fund.

**Construction Commitments**

The following material construction commitments existed as of June 30, 2022:

Project Title	Contract Amount	Expenditure to date as of June 30, 2022	Remaining Commitments
Peck Ground Level Reservoir Replacement	\$ 38,413,602	\$ 25,794,772	\$ 12,618,830
Sepuvada Bridge MTA Project	8,196,270	3,483,497	4,712,773
Sepuvada Bridge Measuse SBHP Seismic Retrofit	1,873,589	474,869	1,398,720
Annual Rehabilitation Gravity Sewer Mains	1,317,133	120,890	1,196,243
Fire Station 2 Replacement	835,875	46,849	789,026
Polliwog Resurfacing and Equipment Replacement	2,723,835	1,959,654	764,181
28th Street Stormwater Infiltration	2,150,419	1,588,724	561,695
Village Field ADA Access Design	5,082,280	4,537,467	544,813
CDBG Senior Villas ADA Pathway	518,706	-	518,706

**Note 17: Net Investments in Capital Assets**

The computation of Net Investments in Capital Assets is as follows:

	Government Activities	Business-Type Activities
Total Capital Assets	\$ 127,221,756	\$ 82,667,386
Long-term debt		
Marine Avenue Park Refunding COP Series 2016	(4,410,000)	-
2013 Police & Fire Facility Refunding COP	(6,090,000)	-
2021 Fire Station No. 2 COP	(7,335,000)	-
2021 Refunding COPs	-	(5,925,000)
Lease liability	(2,090,304)	-
Deferred charge on refunding	305,782	-
Bond premium/discount	(1,752,122)	(1,196,457)
	<u>\$ 105,850,112</u>	<u>\$ 75,545,929</u>

**Note 18: Net Position and Fund Balances Restatement**

Beginning net position for business-type activities and for the Water Fund has been restated by \$497,970 to correct prior years payment processor's fees. In addition, beginning net position of the Custodial Funds was restated by \$18,321,289 to remove the bond liability and the related interest payable that should not have been recognized in the Custodial Funds per exclusion related to GASB 84 for reporting of debt payable from special assessments against benefited property owners. The City did not incur the debt and is not liable for the repayment of the obligations.

**Note 19: Subsequent Events**

On July 5, 2022, the City Council approved a Measure F Funding Agreement between the Los Angeles Metropolitan Transportation Authority (LACTMA) and the City of Manhattan Beach for \$1,200,000 to fund the design plans, specifications and construction of the Manhattan Beach Boulevard Eastbound Left-Turn Improvement at Aviation Boulevard Project.



# REQUIRED SUPPLEMENTARY INFORMATION





CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,610,901	\$ 32,610,901	\$ 32,610,901	\$ -
<b>Resources (Inflows):</b>				
Taxes and assessments	57,289,313	57,289,313	62,995,151	5,705,838
Licenses and permits	3,258,623	3,258,623	3,983,079	724,456
Intergovernmental	4,756,889	5,189,197	4,801,637	(387,560)
Charges for services	10,419,879	10,469,879	11,829,242	1,359,363
Use of money and property	3,542,335	3,542,335	1,647,517	(1,894,818)
Fines and forfeitures	2,030,000	2,030,000	2,358,731	328,731
Miscellaneous	1,260,715	1,260,715	2,076,767	816,052
Transfers in	-	-	532,628	532,628
<b>Amounts Available for Appropriations</b>	<b>115,168,655</b>	<b>115,650,963</b>	<b>122,835,653</b>	<b>7,184,690</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
General government	14,058,698	15,341,534	14,975,284	366,250
Public safety	42,026,844	42,229,288	41,611,175	618,113
Culture and recreation	7,775,997	7,800,294	6,947,767	852,527
Public works	8,267,579	8,970,602	8,528,320	442,282
Capital outlay:				
Public works	-	4,882	1,137	3,745
Debt service:				
Principal retirement	3,280,158	3,280,158	4,191,660	(911,502)
Interest and fiscal charges	2,362,095	2,362,095	2,396,080	(33,985)
Trustee Fees	1,600	1,600	1,600	-
Transfers out	122,001	122,001	4,365,153	(4,243,152)
<b>Total Charges to Appropriations</b>	<b>77,894,972</b>	<b>80,112,454</b>	<b>83,018,176</b>	<b>(2,905,722)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 37,273,683</b>	<b>\$ 35,538,509</b>	<b>\$ 39,817,477</b>	<b>\$ 4,278,968</b>



CITY OF MANHATTAN BEACH

MISCELLANEOUS PLAN  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Measurement Period	2014	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 1,897,933	\$ 1,906,947	\$ 2,116,750	\$ 2,582,619
Interest	6,036,548	6,365,282	6,725,647	6,931,655
Difference Between expected and Actual Experience	-	(1,610,461)	(125,272)	(2,203,443)
Changes in Assumptions	-	(450,327)	-	5,953,464
Benefit Payments, Including Refunds of employee Contributions	(2,930,477)	(3,387,918)	(3,694,517)	(3,897,657)
<b>Net Change in Total Pension Liability</b>	<b>5,004,004</b>	<b>2,823,523</b>	<b>5,022,608</b>	<b>9,366,638</b>
<b>Total Pension Liability - Beginning</b>	<b>81,003,568</b>	<b>86,007,572</b>	<b>88,831,095</b>	<b>93,853,703</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 86,007,572</b>	<b>\$ 88,831,095</b>	<b>\$ 93,853,703</b>	<b>\$ 103,220,341</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contribution - Employer	\$ 1,512,406	\$ 1,619,438	\$ 1,856,633	\$ 2,139,788
Contribution - Employee	911,689	986,936	1,110,014	1,142,808
Net Investment Income	10,722,182	1,618,145	357,760	8,057,534
Benefit Payments, Including Refunds of Employee Contributions	(2,930,477)	(3,387,918)	(3,694,517)	(3,897,657)
Net Plan to Plan Resource Movement	-	-	(388)	-
Administrative Expense	-	(82,036)	(44,409)	(106,973)
Other Miscellaneous Income/(Expense) (A)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>10,215,800</b>	<b>754,565</b>	<b>(414,907)</b>	<b>7,335,500</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>61,897,924</b>	<b>72,113,724</b>	<b>72,868,289</b>	<b>72,453,382</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 72,113,724</b>	<b>\$ 72,868,289</b>	<b>\$ 72,453,382</b>	<b>\$ 79,788,882</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 13,893,848</b>	<b>\$ 15,962,806</b>	<b>\$ 21,400,321</b>	<b>\$ 23,431,459</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>83.85%</b>	<b>82.03%</b>	<b>77.20%</b>	<b>77.30%</b>
<b>Covered Payroll</b>	<b>\$ 13,348,365</b>	<b>\$ 13,348,365</b>	<b>\$ 14,974,179</b>	<b>\$ 16,051,083</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>104.09%</b>	<b>119.59%</b>	<b>142.91%</b>	<b>145.98%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2014 was the first year of implementation, therefore only eight years are shown.

**Notes to Schedule:**

(A) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability is deemed to be material by the plan actuary.

Changes of Assumptions:

None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

2018	2019	2020	2021
\$ 2,639,954	\$ 2,657,779	\$ 2,737,868	\$ 2,650,267
7,282,132	7,803,956	8,237,478	8,598,669
(577,483)	1,833,076	261,490	(820,321)
11,137	-	-	-
(4,251,920)	(4,679,793)	(4,720,240)	(5,398,971)
<b>5,103,820</b>	<b>7,615,018</b>	<b>6,516,596</b>	<b>5,029,644</b>
<b>103,220,341</b>	<b>108,324,161</b>	<b>115,939,179</b>	<b>122,455,775</b>
<b>\$ 108,324,161</b>	<b>\$ 115,939,179</b>	<b>\$ 122,455,775</b>	<b>\$ 127,485,419</b>
\$ 2,257,840	\$ 2,699,124	\$ 3,088,142	\$ 31,975,816
1,194,936	1,183,069	1,148,119	1,231,319
6,733,944	5,590,075	4,500,278	22,191,353
(4,251,920)	(4,679,793)	(4,720,240)	(5,398,971)
(198)	-	-	-
(124,333)	(60,918)	(127,012)	(93,884)
(236,111)	199	-	-
<b>5,574,158</b>	<b>4,731,756</b>	<b>3,889,287</b>	<b>49,905,633</b>
<b>79,788,882</b>	<b>85,363,040</b>	<b>90,094,796</b>	<b>93,984,083</b>
<b>\$ 85,363,040</b>	<b>\$ 90,094,796</b>	<b>\$ 93,984,083</b>	<b>\$ 143,889,716</b>
<b>\$ 22,961,121</b>	<b>\$ 25,844,383</b>	<b>\$ 28,471,692</b>	<b>\$ (16,404,297)</b>
78.80%	77.71%	76.75%	112.87%
\$ 16,557,666	\$ 16,866,425	\$ 17,472,037	\$ 17,209,527
138.67%	153.23%	162.96%	-95.32%

CITY OF MANHATTAN BEACH

MISCELLANEOUS PLAN  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,512,406	\$ 1,619,438	\$ 1,856,633	\$ 2,139,788
Contribution in Relation to the Actuarially Determined Contribution	(1,512,406)	(1,619,438)	(1,856,633)	(2,139,788)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 12,741,228	\$ 13,348,365	\$ 14,974,179	\$ 16,051,083
Contributions as a Percentage of Covered Payroll	11.87%	12.13%	12.40%	13.33%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2014 was the first year of implementation, therefore only nine years are shown.

**Note to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2021-22 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

<ul style="list-style-type: none"> <li>Single and Agent Employers</li> <li>Amortization method</li> <li>Assets valuation method</li> <li>Inflation</li> <li>Salary Increases</li> <li>Investment rate of return</li> <li>Retirement age</li> <li>Mortality</li> </ul>	<ul style="list-style-type: none"> <li>Entry age normal</li> <li>Level Percent of Payroll</li> <li>30 Years as of the Valuation Date with 5 year ramp up/down</li> <li>Fair Value of Assets</li> <li>2.500%</li> <li>Varies by Entry Age and Service</li> <li>7.00% Net of Pension Plan Investment and Administrative Expenses, including Inflation.</li> <li>7 CalPERS Experience Study for the period from 1997 to 2015.</li> <li>The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-Retirement mortality rates include 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.</li> </ul>
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2018	2019	2020	2021	2022
\$ 2,257,840	\$ 2,699,124	\$ 3,088,142	\$ 3,428,883	\$ 1,615,274
(2,257,840)	(2,699,124)	(3,088,142)	(31,975,816)	(1,615,274)
\$ -	\$ -	\$ -	\$ (28,546,933)	\$ -
\$ 16,557,666	\$ 16,866,425	\$ 17,472,037	\$ 17,209,527	\$ 17,630,265
13.64%	16.00%	17.67%	185.80%	9.16%

CITY OF MANHATTAN BEACH

**SAFETY PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

Measurement Date	2014	2015	2016	2017
<b>Safety Plan</b>				
Proportion of the Net Pension Liability/(Asset)	0.482924%	0.816657%	0.854514%	0.738007%
Proportionate Share of the Net Pension Liability/(Asset)	\$ 30,049,799	\$ 33,649,892	\$ 44,229,612	\$ 51,004,452
Covered Payroll	\$ 11,899,053	\$ 12,509,404	\$ 13,396,233	\$ 13,476,008
Proportionate Share of the Net Pension Liability/(Asset) as Percentage of Covered Payroll	252.54%	269.00%	330.16%	378.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.30%	78.30%	74.10%	73.30%

**Notes to Schedule:**

Benefit Changes:

There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2020 valuation date, unless the liability is deemed to be material to the Public Agency Pool.

Changes of Assumptions:

None.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2014 was the first year of implementation, therefore only eight years are shown.

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<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
0.884355%	0.888476%	0.927775%	-0.532611%
\$ 51,890,006	\$ 55,463,474	\$ 61,811,652	\$ (35,484,453)
\$ 13,377,912	\$ 13,238,294	\$ 13,904,770	\$ 13,731,032
387.88%	418.96%	444.54%	-258.43%
75.30%	73.85%	71.86%	115.64%

CITY OF MANHATTAN BEACH

**SAFETY PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Safety Plan</b>				
Actuarially Determined Contribution	\$ 3,200,572	\$ 3,437,160	\$ 4,000,319	\$ 4,035,127
Contribution in Relation to the Actuarially Determined Contribution	<u>(3,200,572)</u>	<u>(3,437,160)</u>	<u>(4,000,319)</u>	<u>(4,035,127)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 11,899,053	\$ 12,509,404	\$ 13,396,233	\$ 13,476,008
Contributions as a Percentage of Covered Payroll	26.90%	27.48%	29.86%	29.94%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2014 was the first year of implementation, therefore only nine years are shown.

**Note to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2021-22 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
	20 Years as of the Valuation Date
Assets valuation method	Market value
Inflation	2.500%
Salary Increases	3.30% - 14.20% depending on age, service and type of employment
Investment rate of return	7.0% net of pension plan investment and administrative expense, including inflation
Retirement age	55 years
Mortality	Scale MP 2017

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 4,413,119	\$ 5,071,642	\$ 5,997,853	\$ 6,572,770	\$ 2,798,477
<u>(4,413,119)</u>	<u>(5,071,642)</u>	<u>(5,997,853)</u>	<u>68,788,953</u>	<u>(2,798,477)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,361,723</u>	<u>\$ -</u>
\$ 13,377,912	\$ 13,238,294	\$ 13,904,770	\$ 13,731,032	\$ 13,651,265
32.99%	38.31%	43.14%	-500.97%	20.50%



CITY OF MANHATTAN BEACH

**PENSION PLAN - SUPPLEMENTAL RETIREMENT PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2014	2015	2016	2017
<b>Total pension liability:</b>				
Interest	\$ 4,535	\$ 3,868	\$ 4,465	\$ (552)
Benefit payments, including refunds of member contributions	(20,118)	(20,519)	(21,728)	(21,340)
Experience losses/(gains)	(6,296)	16,651	9,609	35,649
Changes in assumptions	-	-	-	-
<b>Net change in total pension liability</b>	<b>(21,879)</b>	<b>-</b>	<b>(7,654)</b>	<b>13,757</b>
Total pension liability, beginning of year	133,183	111,304	111,304	103,650
<b>Total pension liability, end of year</b>	<b>111,304</b>	<b>111,304</b>	<b>103,650</b>	<b>117,407</b>
<b>Plan fiduciary net position:</b>				
Net investment income	4,535	3,868	4,465	(552)
Contribution from employer	-	-	-	-
Benefit payments, including refunds of member contributions	(20,118)	(20,519)	(21,728)	(21,340)
<b>Net change in plan fiduciary net position</b>	<b>(15,583)</b>	<b>(16,651)</b>	<b>(17,263)</b>	<b>(21,892)</b>
Total fiduciary net position, beginning of year	118,255	102,672	86,021	68,758
Restatement				
<b>Total fiduciary net position, end of year</b>	<b>102,672</b>	<b>86,021</b>	<b>68,758</b>	<b>46,866</b>
<b>Total pension liability, end of fiscal year 2020</b>	<b>\$ 8,632</b>	<b>\$ 25,283</b>	<b>\$ 34,892</b>	<b>\$ 70,541</b>

Plan fiduciary net position as a percentage of the total pension liability 92.24% 77.28% 66.34% 39.92%

The Supplement Retirement Plan is dormant.

Covered payroll N/A N/A N/A N/A

Net pension liability as a percentage of covered payroll N/A N/A N/A N/A

The fiduciary net position has been restated since the assets held were not in a trust fund as defined by GASB Statement No. 68, but were pulled with the City's cash and investments.

Changes of Assumptions:

In fiscal year 2021-22, the discount rate was changed from 2.16% to 3.54%.

(1) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

2018	2019	2020	2021	2022
\$ 4,837	\$ 4,045	\$ 4,057	\$ 1,787	\$ 1,143
(21,690)	(22,125)	(22,327)	(14,382)	(12,889)
8,685	18,576	6,826	(34,482)	(2,564)
-	2,027	5,916	62	7,476
<b>(8,168)</b>	<b>2,523</b>	<b>(5,528)</b>	<b>(47,015)</b>	<b>(6,834)</b>
117,407	109,239	111,762	106,234	59,219
<b>109,239</b>	<b>111,762</b>	<b>106,234</b>	<b>59,219</b>	<b>52,385</b>
496	1,024	-	-	-
-	27,773	22,327	14,382	12,889
(21,690)	(22,125)	(22,327)	(14,382)	(12,889)
<b>(21,194)</b>	<b>6,672</b>	-	-	-
46,866	25,672	32,344	-	-
		(32,344)	-	-
<b>25,672</b>	<b>32,344</b>	-	-	-
<b>\$ 83,567</b>	<b>\$ 79,418</b>	<b>\$ 106,234</b>	<b>\$ 59,219</b>	<b>\$ 52,385</b>
23.50%	28.94%	0.00%	0.00%	0.00%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

CITY OF MANHATTAN BEACH

**PENSION PLAN - SUPPLEMENTAL RETIREMENT PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Employer contributions:</b>				
Actuarial determined contributions	\$ -	\$ -	\$ -	\$ -
Actual contributions	-	-	-	-
<b>Deficiency/(Excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Supplement Retirement Plan is dormant.

Actual contributions as a percentage of actuarial determined contributions	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A

(1) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

N/A      N/A      N/A      N/A      N/A  
N/A      N/A      N/A      N/A      N/A  
N/A      N/A      N/A      N/A      N/A

CITY OF MANHATTAN BEACH

PENSION PLAN - SUPPLEMENTAL RETIREMENT PLAN  
SCHEDULE OF INVESTMENT RETURNS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Annual money-weighted rate of return, net of investment expense</b>	4.40%	4.40%	3.60%	3.49%

(1) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

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<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
4.12%	3.50%	2.20%	2.16%	3.54%

CITY OF MANHATTAN BEACH

**PENSION PLAN - SINGLE HIGHEST YEAR PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2014	2015	2016	2017
<b>Total pension liability:</b>				
Interest	\$ 12,194	\$ 9,588	\$13,610	\$ (1,639)
Benefit payments, including refunds of member contributions	(49,893)	(50,872)	(51,598)	(52,928)
Experience losses/(gains)	(20,492)	41,284	19,167	94,614
Changes in assumptions	-	-	-	-
<b>Net change in total pension liability</b>	<b>(58,191)</b>	<b>-</b>	<b>(18,821)</b>	<b>40,047</b>
Total pension liability, beginning of year	373,634	315,443	315,443	296,622
<b>Total pension liability, end of year</b>	<b>315,443</b>	<b>315,443</b>	<b>296,622</b>	<b>336,669</b>
<b>Plan fiduciary net position:</b>				
Net investment income	12,194	9,588	13,610	(1,639)
Contribution from employer	-	-	-	-
Benefit payments, including refunds of member contributions	(49,893)	(50,872)	(51,598)	(52,928)
<b>Net change in plan fiduciary net position</b>	<b>(37,699)</b>	<b>(41,284)</b>	<b>(37,988)</b>	<b>(54,567)</b>
Total fiduciary net position, beginning of year Restatement	315,899	278,200	236,916	198,928
<b>Total fiduciary net position, end of year</b>	<b>278,200</b>	<b>236,916</b>	<b>198,928</b>	<b>144,361</b>
<b>Total pension liability, end of fiscal year 2020</b>	<b>\$ 37,243</b>	<b>\$ 78,527</b>	<b>\$97,694</b>	<b>\$192,308</b>

Plan fiduciary net position as a percentage of the total pension liability 88.19% 75.11% 67.06% 42.88%

The Single Highest Year Plan is dormant.

Covered payroll N/A N/A N/A N/A

Net pension liability as a percentage of covered payroll N/A N/A N/A N/A

The fiduciary net position has been restated since the assets held were not in a trust fund as defined by GASB Statement No. 68, but were pulled with the City's cash and investments.

Changes of Assumptions:

In fiscal year 2021-22, the discount rate was changed from 2.16% to 3.54%.

(1) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 13,871	\$ 10,663	\$ 8,785	\$ 5,975	\$ 2,421
(53,805)	(50,694)	(51,473)	(25,050)	(20,304)
(12,652)	41,951	17,838	(138,309)	15,842
-	6,053	15,460	207	(5,433)
<b>(52,586)</b>	<b>7,973</b>	<b>(9,390)</b>	<b>(157,177)</b>	<b>(7,474)</b>
336,669	284,083	292,056	282,666	125,489
<b>284,083</b>	<b>292,056</b>	<b>282,666</b>	<b>125,489</b>	<b>118,015</b>
1,616	4,689	-	-	-
-	72,227	51,473	25,050	20,304
(53,805)	(50,694)	(51,473)	(25,050)	(20,304)
<b>(52,189)</b>	<b>26,222</b>	-	-	-
144,361	92,172	118,394	-	-
		(118,394)	-	-
<b>92,172</b>	<b>118,394</b>	-	-	-
<b>\$191,911</b>	<b>\$173,662</b>	<b>\$282,666</b>	<b>\$ 125,489</b>	<b>\$ 118,015</b>
32.45%	40.54%	0.00%	0.00%	0.00%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A



CITY OF MANHATTAN BEACH

PENSION PLAN - SINGLE HIGHEST YEAR PLAN  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2014	2015	2016	2017
<b>Employer contributions:</b>				
Actuarial determined contributions	\$ -	\$ -	\$ -	\$ -
Actual contributions	-	-	-	-
<b>Deficiency/(Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The Single Highest Year Plan is dormant.

Actual contributions as a percentage of actuarial determined contributions	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A

(1) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

N/A      N/A      N/A      N/A      N/A  
N/A      N/A      N/A      N/A      N/A  
N/A      N/A      N/A      N/A      N/A

CITY OF MANHATTAN BEACH

PENSION PLAN - SINGLE HIGHEST YEAR PLAN  
SCHEDULE OF INVESTMENT RETURNS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

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	2014	2015	2016	2017
<b>Annual money-weighted rate of return, net of investment expense</b>	4.40%	4.40%	3.60%	3.49%

(1) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2014. Additional years will be added as they become available in the future.

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<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
4.12%	3.50%	2.20%	2.16%	3.54%

CITY OF MANHATTAN BEACH, CALIFORNIA

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Measurement Date	2017	2018	2019	2020	2021
<b>Total OPEB Liability</b>					
Service cost	\$ 153,484	\$ 157,705	\$ 162,042	\$ 860,600	\$ 912,539
Interest on the total OPEB liability	373,003	389,029	405,961	726,498	741,118
Expected minus actual benefit payments	-	-	14,816	-	8,110
Experience gains/(losses)	-	-	(217,943)	(67,563)	(2,139,728)
Changes in assumptions	-	-	11,785,934	301,994	(47,483)
Benefit payments	(292,220)	(276,109)	(315,517)	(768,497)	(827,450)
Net change in total OPEB liability	234,267	270,625	11,835,293	1,053,032	(1,352,894)
Total OPEB liability - beginning	5,809,993	6,044,260	6,314,885	18,150,178	19,203,210
<b>Total OPEB liability - ending (a)</b>	<b>6,044,260</b>	<b>6,314,885</b>	<b>18,150,178</b>	<b>19,203,210</b>	<b>17,850,316</b>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	-	-	-	458,552	500,355
Expected investment income	-	-	-	-	701,127
Net investment income	696,310	637,587	658,010	579,074	1,469,219
Investment gains/(loss)	-	(17,259)	65,900	-	-
Benefit payments	(292,220)	(276,109)	(315,517)	(768,497)	(827,450)
Administrative expense	(5,052)	(18,413)	(2,217)	(5,285)	(4,002)
Net change in plan fiduciary net position	399,038	325,806	406,176	263,844	1,839,249
Plan fiduciary net position - beginning	9,557,249	9,956,287	10,282,093	10,688,269	10,952,113
<b>Plan fiduciary net position - ending (b)</b>	<b>9,956,287</b>	<b>10,282,093</b>	<b>10,688,269</b>	<b>10,952,113</b>	<b>12,791,362</b>
<b>Net OPEB Liability/(Asset) - ending (a) - (b)</b>	<b>\$ (3,912,027)</b>	<b>\$ (3,967,208)</b>	<b>\$ 7,461,909</b>	<b>\$ 8,251,097</b>	<b>\$ 5,058,954</b>
Plan fiduciary net position as a percentage of the total OPEB liability	164.7%	162.8%	58.9%	57.0%	71.7%
Covered employee payroll	\$ 27,942,810	\$ 28,350,135	\$ 28,955,206	\$ 30,039,928	\$ 31,108,248
Net OPEB liability/(asset) as a percentage of covered employee payroll	-14.00%	-13.99%	25.77%	27.47%	16.26%

Notes to Schedule:

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Measurement year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF MANHATTAN BEACH, CALIFORNIA

**SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in Relation to the Actuarially Determined Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 28,350,135	\$ 28,955,206	\$ 30,039,928	\$ 31,108,248	\$ 31,281,530
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2022 were from the December 31, 2021 actuarial valuation.

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry Age
Actuarial Assumptions:	
Discount Rate	4.06% per year net of expenses
Inflation	2.50% per year
Salary Increase	2.75% per year
Healthcare Trend	4.00% per year
Mortality	Police - 2017 CalPERS Mortality for Safety Employees Fire Fighters - 2017 CalPERS Mortality for Safety Employees Miscellaneous - 2017 CalPERS Mortality for Miscellaneous Employees
Retirement Rates	Police Management: Hired 2013 and later: 2017 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2017 CalPERS 3.0%@50 Rates for Police Police Officers: Hired 2013 and later: 2017 CalPERS 2.7%@57 Rates for Police Employees Hired 2012 and earlier: 2017 CalPERS 3.0%@50 Rates for Police Employees Firefighters: Hired 2013 and later: 2017 CalPERS 2.7%@57 Rates for Fire Employees Hired 2012 and earlier: 2017 CalPERS 3.0%@55 Rates for Fire Employees General Employees and Management: Hired 2012 and earlier: 2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Note 1: Budgetary Comparison Information**

**a. General Budget Policies**

The operating budget serves as the annual financial plan for the City and serves as the policy document of the City Council for implementing Council goals and objectives. The budget provides the staff the resources necessary to accomplish City Council determined service levels.

The City Manager annually will prepare and present a proposed operating budget to the City Council no later than the second regular Council meeting in May of each year; and Council will adopt said budget no later than June 30 of each year. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council.

The City's annual budget will be presented by department, with a logical breakdown of programs and proposed expenses. The budget document will also summarize expenditures at the personnel, operating and maintenance, and capital levels.

Where practical, the City's annual budget will include measures of workload, efficiency, and effectiveness.

**b. Budgetary Control and Accountability**

Budget control is maintained at the departmental level. The City Manager has the authority to approve appropriation transfers between programs or departments. In no case may total expenditures of a particular fund exceed that which is appropriated by the City Council without a budget amendment. Amendments to the budget are approved by the City Council with the exception of the appropriation and transfer of funds from employee leave reserves to a specific department's program budget to cover unplanned customary termination leave expenditures within a given year. Such amendments may be approved by the City Manager.

Budget accountability rests primarily with the operating departments of the City.

**c. Basis of Budgeting**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device.

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS & SCHEDULES







**CITY OF MANHATTAN BEACH**

**JUNE 30, 2022**

**NONMAJOR FUNDS**

**Special Revenue Fund Description**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law to expenditures for specified purposes.

**Street Lighting and Landscape Fund** provides the power, maintenance and capital improvements for the lighting system within the City of Manhattan Beach. Money is received from a special assessment placed on each tax bill in the City, the amount of which is determined by the benefit received by the owner of each property.

**Gas Tax Fund** is used to account for the City's share of the state and county gasoline tax collection in accordance with the provisions of the State of California Streets and Highway Code. Revenues are disbursed by the state based on population and must be used toward the maintenance and repair of City streets that serve as state and county thoroughfares.

**Asset Forfeiture Fund** is used to account for funds received through federal and state agencies for drug seizures in which the City participated. These funds must be used to supplement, not supplant, the Police Department's normal operating budget. The amount of revenue will vary from year to year based on activity levels.

**Public Safety Grants** are used for monies received from the federal and state governments for the purposes of supplementing front-line law enforcement services.

**Proposition A Fund** is used to account for proceeds from the half-cent sales taxes generated by the approval of Proposition A by Los Angeles County voters. These funds, which are administered by the Los Angeles County Metropolitan Transportation Authority (MTA), are distributed based on population and must be used for transportation-related projects.

**Proposition C Fund** is used to account for the City's Proposition C revenue and expenditures. In November 1990, Los Angeles County voters approved a half -cent sales tax intended to support projects and programs related to transit.

**AB 2766 Fund** is used to account for proceeds received from the additional vehicle registration fee imposed by the state and regulated by the Air Quality Management District (AQMD). These funds are distributed based on population and must be used for programs designed to reduce air pollution from motor vehicles.

**Measure R Fund** is a half cent sales tax approved by Los Angeles voters to be used for new and existing transportation projects, including local bus operations and local city sponsored transportation improvements. Local cities are allocated 15% of collections on a per capita basis. The City of Manhattan Beach began receiving Measure R funds in fiscal 2010-2011, and established a separate fund to capture revenues and expenditures. Eligible expenditures are streets and signals, bikeways, pedestrian improvements, and transit service improvements.

**Measure M Fund** is a half-cent sales tax approved by Los Angeles County voters to ease traffic congestion; expand rail and rapid transit system; repave local streets, repair potholes, and synchronize signals; make public transportation more accessible for seniors, students, and the disabled; and earthquake-retrofit bridges. The City of Manhattan Beach began receiving Measure M funds in fiscal 2018 and established a separate fund to capture revenue and expenditures.

**Measure W** is a voter approver parcel tax intended to fund projects, infrastructure, and program to capture, treat, and recycle storm water. The City began receiving Measure W funds in the fiscal year 2020-2021 and established a separate fund to capture revenues and expenditures.



**CITY OF MANHATTAN BEACH**

**JUNE 30, 2022**

**NONMAJOR FUNDS**

**Capital Project Fund Description**

Capital Projects Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise or Internal Service Funds.

**Capital Improvement Fund** accounts for financial resources segregated for the acquisition or construction of major capital facilities, other than those financed by Enterprise, Internal Service Funds, or other project specific funds.

**Bond Construction Fund** accounts for financial resources segregated for the acquisition or construction of major capital projects financed through the issuance of bonds.

**Underground Assessment District Fund** accounts for the financial resources used for underground utility assessment district (UUAD) projects. UUASs are initiated and formed by property owners who are interested in paying for the undergrounding of the overhead utility in their neighborhood.

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
<b>Assets:</b>				
Pooled cash and investments	\$ 147,329	\$ 2,897,219	\$ 129,809	\$ 446,438
Receivables:				
Accounts	16,935	-	-	-
Taxes	-	-	-	-
Grants	-	-	-	-
Due from other governments	-	155,268	18,453	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 164,264</b>	<b>\$ 3,052,487</b>	<b>\$ 148,262</b>	<b>\$ 446,438</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 58,651	\$ 329,584	\$ -	\$ 45,252
Accrued payables	4,249	70,366	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Interest payable	-	-	-	-
<b>Total Liabilities</b>	<b>62,900</b>	<b>399,950</b>	<b>-</b>	<b>45,252</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	25,217	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>25,217</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	-	148,262	401,186
Recreation	-	-	-	-
Public works	101,364	-	-	-
Capital Projects	-	2,627,320	-	-
<b>Committed to:</b>				
Capital Projects	-	-	-	-
<b>Total Fund Balances</b>	<b>101,364</b>	<b>2,627,320</b>	<b>148,262</b>	<b>401,186</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 164,264</b>	<b>\$ 3,052,487</b>	<b>\$ 148,262</b>	<b>\$ 446,438</b>

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

(CONTINUED)

	<u>Special Revenue Funds</u>			
	<u>Proposition A</u>	<u>Proposition C</u>	<u>AB 2766</u>	<u>Measure R</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 692,985	\$ 2,159,603	\$ 181,881	\$ 2,039,669
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Grants	-	-	-	64,860
Due from other governments	-	2,276,216	11,530	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 692,985</u></b>	<b><u>\$ 4,435,819</u></b>	<b><u>\$ 193,411</u></b>	<b><u>\$ 2,104,529</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,012	\$ 468,007	\$ -	\$ 18,159
Accrued payables	1,446	238,056	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Interest payable	-	-	-	-
<b>Total Liabilities</b>	<b><u>4,458</u></b>	<b><u>706,063</u></b>	<b><u>-</u></b>	<b><u>18,159</u></b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	2,276,216	11,530	64,860
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>2,276,216</u></b>	<b><u>11,530</u></b>	<b><u>64,860</u></b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	-	-	-
Recreation	688,527	-	-	-
Public works	-	-	181,881	-
Capital Projects	-	1,453,540	-	2,021,510
<b>Committed to:</b>				
Capital Projects	-	-	-	-
<b>Total Fund Balances</b>	<b><u>688,527</u></b>	<b><u>1,453,540</u></b>	<b><u>181,881</u></b>	<b><u>2,021,510</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 692,985</u></b>	<b><u>\$ 4,435,819</u></b>	<b><u>\$ 193,411</u></b>	<b><u>\$ 2,104,529</u></b>

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

	Special Revenue Funds		Capital Projects Funds	
	Measure M	Measure W	Capital Improvement	Bond Construction
<b>Assets:</b>				
Pooled cash and investments	\$ 1,630,194	\$ 1,998,452	\$ 6,402,901	\$ 6,924,842
Receivables:				
Accounts	-	-	444	-
Taxes	-	-	82,700	-
Grants	-	-	-	-
Due from other governments	70,957	-	199,375	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	247,131	-
<b>Total Assets</b>	<b>\$ 1,701,151</b>	<b>\$ 1,998,452</b>	<b>\$ 6,932,551</b>	<b>\$ 6,924,842</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 28,364	\$ 69,751	\$ 522,931	\$ 464,345
Accrued payables	-	-	90,278	108,534
Unearned revenues	-	1,403,515	-	-
Deposits payable	-	-	-	-
Interest payable	-	-	247,131	-
<b>Total Liabilities</b>	<b>28,364</b>	<b>1,473,266</b>	<b>860,340</b>	<b>572,879</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	70,957	-	199,375	-
<b>Total Deferred Inflows of Resources</b>	<b>70,957</b>	<b>-</b>	<b>199,375</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Public safety	-	-	-	-
Recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	1,601,830	525,186	-	-
<b>Committed to:</b>				
Capital Projects	-	-	5,872,836	6,351,963
<b>Total Fund Balances</b>	<b>1,601,830</b>	<b>525,186</b>	<b>5,872,836</b>	<b>6,351,963</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,701,151</b>	<b>\$ 1,998,452</b>	<b>\$ 6,932,551</b>	<b>\$ 6,924,842</b>

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

	<u>Capital Projects Funds</u>	
	<u>Underground Assessment District</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>		
Pooled cash and investments	\$ 2,705,951	\$ 28,357,273
Receivables:		
Accounts	10,520	27,899
Taxes	-	82,700
Grants	-	64,860
Due from other governments	-	2,731,799
Restricted assets:		
Cash and investments with fiscal agents	-	247,131
<b>Total Assets</b>	<b><u>\$ 2,716,471</u></b>	<b><u>\$ 31,511,662</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 224,021	\$ 2,232,077
Accrued payables	368,406	881,335
Unearned revenues	-	1,403,515
Deposits payable	1,741	1,741
Interest payable	-	247,131
<b>Total Liabilities</b>	<b><u>594,168</u></b>	<b><u>4,765,799</u></b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenues	-	2,648,155
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>2,648,155</u></b>
<b>Fund Balances:</b>		
<b>Restricted for:</b>		
Public safety	-	549,448
Recreation	-	688,527
Public works	-	283,245
Capital Projects	2,122,303	10,351,689
<b>Committed to:</b>		
Capital Projects	-	12,224,799
<b>Total Fund Balances</b>	<b><u>2,122,303</u></b>	<b><u>24,097,708</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 2,716,471</u></b>	<b><u>\$ 31,511,662</u></b>



CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
<b>Revenues:</b>				
Taxes	\$ 377,188	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	2,710,777	54,301	161,285
Charges for services	-	-	-	-
Use of money and property	(803)	(59,849)	(5,041)	(11,424)
Fines and forfeitures	-	-	-	-
Miscellaneous	140,145	-	-	-
<b>Total Revenues</b>	<b>516,530</b>	<b>2,650,928</b>	<b>49,260</b>	<b>149,861</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	84,669	110,264
Culture and recreation	-	-	-	-
Public works	599,034	49,476	-	-
Capital outlay				
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	1,711,469	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Trustee fees and bond issuance cost	-	-	-	-
<b>Total Expenditures</b>	<b>599,034</b>	<b>1,760,945</b>	<b>84,669</b>	<b>110,264</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,504)	889,983	(35,409)	39,597
<b>Other Financing Sources (Uses):</b>				
Transfers in	113,869	-	-	-
Transfers out	-	-	-	-
Bonds issued	-	-	-	-
Bond premium	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>113,869</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	31,365	889,983	(35,409)	39,597
<b>Fund Balances:</b>				
Beginning of Year	69,999	1,737,337	183,671	361,589
<b>End of Year</b>	<b>\$ 101,364</b>	<b>\$ 2,627,320</b>	<b>\$ 148,262</b>	<b>\$ 401,186</b>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Proposition A	Proposition C	AB 2766	Measure R
<b>Revenues:</b>				
Taxes	\$ 890,169	\$ 738,377	\$ -	\$ 553,693
Licenses and permits	-	-	-	-
Intergovernmental	-	4,867,222	33,477	-
Charges for services	1,912	-	-	-
Use of money and property	(9,776)	(47,995)	(3,570)	(54,221)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	1,201
<b>Total Revenues</b>	<b>882,305</b>	<b>5,557,604</b>	<b>29,907</b>	<b>500,673</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Culture and recreation	598,447	-	-	-
Public works	-	4,722,222	672	13,738
Capital outlay				
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	77,966	-	444,769
Debt service:				
Principal retirement	17,145	-	-	-
Interest and fiscal charges	12,783	-	-	-
Trustee fees and bond issuance cost	-	-	-	-
<b>Total Expenditures</b>	<b>628,375</b>	<b>4,800,188</b>	<b>672</b>	<b>458,507</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	253,930	757,416	29,235	42,166
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bonds issued	-	-	-	-
Bond premium	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	253,930	757,416	29,235	42,166
<b>Fund Balances:</b>				
Beginning of Year	434,597	696,124	152,646	1,979,344
<b>End of Year</b>	<b>\$ 688,527</b>	<b>\$ 1,453,540</b>	<b>\$ 181,881</b>	<b>\$ 2,021,510</b>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		Capital Projects Funds	
	Measure M	Measure W	Capital Improvement	Bond Construction
<b>Revenues:</b>				
Taxes	\$ 626,568	\$ 410,937	\$ 878,554	\$ -
Licenses and permits	-	-	3,634	-
Intergovernmental	966,655	93,585	-	-
Charges for services	-	-	549,602	-
Use of money and property	(30,507)	(12,321)	12	(101,272)
Fines and forfeitures	-	-	92,552	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,562,716</b>	<b>492,201</b>	<b>1,524,354</b>	<b>(101,272)</b>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Public works	56,407	6,732	233,546	1,750
Capital outlay				
Community development	-	-	60,565	2,669,968
Culture and recreation	-	-	385,278	-
Public works	962,387	86,853	1,482,566	-
Debt service:				
Principal retirement	-	-	650,000	-
Interest and fiscal charges	-	-	468,742	-
Trustee fees and bond issuance cost	-	-	1,800	204,643
<b>Total Expenditures</b>	<b>1,018,794</b>	<b>93,585</b>	<b>3,282,497</b>	<b>2,876,361</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	543,922	398,616	(1,758,143)	(2,977,633)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	1,437,922	1,400,000
Transfers out	-	-	-	(770,326)
Bonds issued	-	-	-	7,440,000
Bond premium	-	-	-	1,259,922
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,437,922</b>	<b>9,329,596</b>
Net Change in Fund Balances	543,922	398,616	(320,221)	6,351,963
<b>Fund Balances:</b>				
Beginning of Year	1,057,908	126,570	6,193,057	-
<b>End of Year</b>	<b>\$ 1,601,830</b>	<b>\$ 525,186</b>	<b>\$ 5,872,836</b>	<b>\$ 6,351,963</b>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022

	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Underground Assessment District</u>	
<b>Revenues:</b>		
Taxes	\$ -	\$ 4,475,486
Licenses and permits	-	3,634
Intergovernmental	-	8,887,302
Charges for services	-	551,514
Use of money and property	(160,212)	(496,979)
Fines and forfeitures	-	92,552
Miscellaneous	74,350	215,696
<b>Total Revenues</b>	<b><u>(85,862)</u></b>	<b><u>13,729,205</u></b>
<b>Expenditures:</b>		
Current:		
Public safety	-	194,933
Culture and recreation	-	598,447
Public works	2,026,927	7,710,504
Capital outlay		
Community development	-	2,730,533
Culture and recreation	-	385,278
Public works	-	4,766,010
Debt service:		
Principal retirement	-	667,145
Interest and fiscal charges	-	481,525
Trustee fees and bond issuance cost	-	206,443
<b>Total Expenditures</b>	<b><u>2,026,927</u></b>	<b><u>17,740,818</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,112,789)</u>	<u>(4,011,613)</u>
<b>Other Financing Sources (Uses):</b>		
Transfers in	-	2,951,791
Transfers out	-	(770,326)
Bonds issued	-	7,440,000
Bond premium	-	1,259,922
<b>Total Other Financing Sources (Uses)</b>	<b><u>-</u></b>	<b><u>10,881,387</u></b>
Net Change in Fund Balances	(2,112,789)	6,869,774
<b>Fund Balances:</b>		
Beginning of Year	<u>4,235,092</u>	<u>17,227,934</u>
<b>End of Year</b>	<b><u>\$ 2,122,303</u></b>	<b><u>\$ 24,097,708</u></b>

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
STREET LIGHTING AND LANDSCAPE  
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 69,999	\$ 69,999	\$ 69,999	\$ -
<b>Resources (Inflows):</b>				
Taxes	377,688	377,688	377,188	(500)
Use of money and property	-	-	(803)	(803)
Miscellaneous	-	-	140,145	140,145
Transfers in	12,001	12,001	113,869	101,868
<b>Amounts Available for Appropriations</b>	<b>459,688</b>	<b>459,688</b>	<b>700,398</b>	<b>240,710</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	570,702	648,241	599,034	49,207
<b>Total Charges to Appropriations</b>	<b>570,702</b>	<b>648,241</b>	<b>599,034</b>	<b>49,207</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (111,014)</b>	<b>\$ (188,553)</b>	<b>\$ 101,364</b>	<b>\$ 289,917</b>

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE  
 GAS TAX  
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,737,337	\$ 1,737,337	\$ 1,737,337	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,380,366	2,696,493	2,710,777	14,284
Use of money and property	14,792	14,792	(59,849)	(74,641)
<b>Amounts Available for Appropriations</b>	<b>3,132,495</b>	<b>4,448,622</b>	<b>4,388,265</b>	<b>(60,357)</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	13,738	13,738	49,476	(35,738)
Capital outlay:				
Public works	2,085,000	3,853,256	1,711,469	2,141,787
<b>Total Charges to Appropriations</b>	<b>2,098,738</b>	<b>3,866,994</b>	<b>1,760,945</b>	<b>2,106,049</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,033,757</b>	<b>\$ 581,628</b>	<b>\$ 2,627,320</b>	<b>\$ 2,045,692</b>

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE  
 ASSET FORFEITURE  
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 183,671	\$ 183,671	\$ 183,671	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	25,000	25,000	54,301	29,301
Use of money and property	3,824	3,824	(5,041)	(8,865)
<b>Amounts Available for Appropriations</b>	<b>212,495</b>	<b>212,495</b>	<b>232,931</b>	<b>20,436</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public safety	108,500	136,247	84,669	51,578
<b>Total Charges to Appropriations</b>	<b>108,500</b>	<b>136,247</b>	<b>84,669</b>	<b>51,578</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 103,995</b>	<b>\$ 76,248</b>	<b>\$ 148,262</b>	<b>\$ 72,014</b>

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC SAFETY GRANTS  
YEAR ENDED JUNE 30, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 361,589	\$ 361,589	\$ 361,589	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	155,000	155,000	161,285	6,285
Use of money and property	4,192	4,192	(11,424)	(15,616)
<b>Amounts Available for Appropriations</b>	<b>520,781</b>	<b>520,781</b>	<b>511,450</b>	<b>(9,331)</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public safety	155,000	194,408	110,264	84,144
<b>Total Charges to Appropriations</b>	<b>155,000</b>	<b>194,408</b>	<b>110,264</b>	<b>84,144</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 365,781</b>	<b>\$ 326,373</b>	<b>\$ 401,186</b>	<b>\$ 74,813</b>



CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A  
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 434,597	\$ 434,597	\$ 434,597	\$ -
<b>Resources (Inflows):</b>				
Taxes	711,856	711,856	890,169	178,313
Charges for services	7,700	7,700	1,912	(5,788)
Use of money and property	188	188	(9,776)	(9,964)
Miscellaneous	17,500	17,500	-	(17,500)
<b>Amounts Available for Appropriations</b>	<b>1,171,841</b>	<b>1,171,841</b>	<b>1,316,902</b>	<b>145,061</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Culture and recreation	918,707	930,601	598,447	332,154
Debt service:				
Principal retirement	7,662	7,662	17,145	(9,483)
Interest and fiscal charges	5,712	5,712	12,783	(7,071)
<b>Total Charges to Appropriations</b>	<b>932,081</b>	<b>943,975</b>	<b>628,375</b>	<b>315,600</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 239,760</b>	<b>\$ 227,866</b>	<b>\$ 688,527</b>	<b>\$ 460,661</b>

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 696,124	\$ 696,124	\$ 696,124	\$ -
<b>Resources (Inflows):</b>				
Taxes	590,465	590,465	738,377	147,912
Intergovernmental	-	13,770,724	4,867,222	(8,903,502)
Use of money and property	43,814	43,814	(47,995)	(91,809)
<b>Amounts Available for Appropriations</b>	<b>1,330,403</b>	<b>15,101,127</b>	<b>6,253,728</b>	<b>(8,847,399)</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	192,332	12,304,233	4,722,222	7,582,011
Capital outlay:				
Public works	-	1,313,344	77,966	1,235,378
<b>Total Charges to Appropriations</b>	<b>192,332</b>	<b>13,617,577</b>	<b>4,800,188</b>	<b>8,817,389</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,138,071</b>	<b>\$ 1,483,550</b>	<b>\$ 1,453,540</b>	<b>\$ (30,010)</b>

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE  
 AB 2766  
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 152,646	\$ 152,646	\$ 152,646	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	46,000	46,000	33,477	(12,523)
Use of money and property	641	641	(3,570)	(4,211)
<b>Amounts Available for Appropriations</b>	<b>199,287</b>	<b>199,287</b>	<b>182,553</b>	<b>(16,734)</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	673	673	672	1
<b>Total Charges to Appropriations</b>	<b>673</b>	<b>673</b>	<b>672</b>	<b>1</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 198,614</b>	<b>\$ 198,614</b>	<b>\$ 181,881</b>	<b>\$ (16,733)</b>

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R  
YEAR ENDED JUNE 30, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,979,344	\$ 1,979,344	\$ 1,979,344	\$ -
<b>Resources (Inflows):</b>				
Taxes	442,849	442,849	553,693	110,844
Intergovernmental	-	540,000	-	(540,000)
Use of money and property	15,650	15,650	(54,221)	(69,871)
Miscellaneous	-	-	1,201	1,201
<b>Amounts Available for Appropriations</b>	<b>2,437,843</b>	<b>2,977,843</b>	<b>2,480,017</b>	<b>(497,826)</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	13,738	13,738	13,738	-
Capital outlay:				
Public works	250,000	2,030,617	444,769	1,585,848
<b>Total Charges to Appropriations</b>	<b>263,738</b>	<b>2,044,355</b>	<b>458,507</b>	<b>1,585,848</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,174,105</b>	<b>\$ 933,488</b>	<b>\$ 2,021,510</b>	<b>\$ 1,088,022</b>

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
MEASURE M  
YEAR ENDED JUNE 30, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,057,908	\$ 1,057,908	\$ 1,057,908	\$ -
<b>Resources (Inflows):</b>				
Taxes	501,896	501,896	626,568	124,672
Intergovernmental	1,800,000	5,440,000	966,655	(4,473,345)
Use of money and property	7,794	7,794	(30,507)	(38,301)
<b>Amounts Available for Appropriations</b>	<b>3,367,598</b>	<b>7,007,598</b>	<b>2,620,624</b>	<b>(4,386,974)</b>
<b>Charges to Appropriation (Outflow):</b>				
Current:				
Public works	13,738	13,738	56,407	(42,669)
Capital outlay:				
Public works	2,400,000	6,822,128	962,387	5,859,741
<b>Total Charges to Appropriations</b>	<b>2,413,738</b>	<b>6,835,866</b>	<b>1,018,794</b>	<b>5,817,072</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 953,860</b>	<b>\$ 171,732</b>	<b>\$ 1,601,830</b>	<b>\$ 1,430,098</b>

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON SCHEDULE  
 MEASURE W  
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 126,570	\$ 126,570	\$ 126,570	\$ -
<b>Resources (Inflows):</b>				
Taxes	-	410,000	410,937	937
Intergovernmental	-	1,497,100	93,585	(1,403,515)
Use of money and property	-	-	(12,321)	(12,321)
<b>Amounts Available for Appropriations</b>	<b>126,570</b>	<b>2,033,670</b>	<b>618,771</b>	<b>(1,414,899)</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	-	-	6,732	(6,732)
Capital outlay				
Public works	-	1,497,100	86,853	1,410,247
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>1,497,100</b>	<b>93,585</b>	<b>1,403,515</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 126,570</b>	<b>\$ 536,570</b>	<b>\$ 525,186</b>	<b>\$ (11,384)</b>

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENT  
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,193,057	\$ 6,193,057	\$ 6,193,057	\$ -
<b>Resources (Inflows):</b>				
Taxes	697,059	697,059	878,554	181,495
Licenses and permits	10,902	10,902	3,634	(7,268)
Intergovernmental	710,890	1,653,736	-	(1,653,736)
Charges for services	650,750	650,750	549,602	(101,148)
Use of money and property	-	-	12	12
Fines and forfeitures	80,000	80,000	92,552	12,552
Miscellaneous	770,000	770,000	-	(770,000)
Transfers in	-	-	1,437,922	1,437,922
<b>Amounts Available for Appropriations</b>	<b>9,112,658</b>	<b>10,055,504</b>	<b>9,155,333</b>	<b>(900,171)</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	233,546	233,546	233,546	-
Capital outlay:				
Public safety	-	291,368	60,565	230,803
Culture and recreation	1,600,000	2,561,148	385,278	2,175,870
Public works	1,050,000	5,517,068	1,482,566	4,034,502
Debt service:				
Principal retirement	855,000	855,000	650,000	205,000
Interest and fiscal charges	363,438	363,438	468,742	(105,304)
Trustee Fees	1,800	1,800	1,800	-
<b>Total Charges to Appropriations</b>	<b>4,103,784</b>	<b>9,823,368</b>	<b>3,282,497</b>	<b>6,540,871</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,008,874</b>	<b>\$ 232,136</b>	<b>\$ 5,872,836</b>	<b>\$ 5,640,700</b>

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
BOND CONSTRUCTION  
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	(101,272)	(101,272)
Transfers in	-	-	1,400,000	1,400,000
Bond premium	-	-	1,259,922	1,259,922
Bonds issued	-	8,470,000	7,440,000	(1,030,000)
<b>Amounts Available for Appropriations</b>	<b>-</b>	<b>8,470,000</b>	<b>9,998,650</b>	<b>1,528,650</b>
<b>Charges to Appropriations (Outflow):</b>				
Current:				
Public works	-	-	1,750	(1,750)
Capital outlay				
Public safety	-	8,265,357	2,669,968	5,595,389
Debt service:				
Trustee fees and bond issuance cost	-	204,643	204,643	-
Transfers out	-	-	770,326	(770,326)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>8,470,000</b>	<b>3,646,687</b>	<b>4,823,313</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,351,963</b>	<b>\$ 6,351,963</b>



CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON SCHEDULE  
UNDERGROUND ASSESSMENT DISTRICT  
YEAR ENDED JUNE 30, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 4,235,092	\$ 4,235,092	\$ 4,235,092	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	42,110	42,110	(160,212)	(202,322)
Miscellaneous	-	-	74,350	74,350
<b>Amounts Available for Appropriations</b>	<b>4,277,202</b>	<b>4,277,202</b>	<b>4,149,230</b>	<b>(127,972)</b>
<b>Charges to Appropriation (Outflow):</b>				
Current:				
Public works	1,779,705	3,378,665	2,026,927	1,351,738
<b>Total Charges to Appropriations</b>	<b>1,779,705</b>	<b>3,378,665</b>	<b>2,026,927</b>	<b>1,351,738</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,497,497</b>	<b>\$ 898,537</b>	<b>\$ 2,122,303</b>	<b>\$ 1,223,766</b>

**CITY OF MANHATTAN BEACH**

**JUNE 30, 2022**

**NONMAJOR ENTERPRISE FUNDS**

The Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The intent in using this type of fund is to see that the costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

**Stormwater Fund** is used to account for the maintenance and improvement of the City's storm drains. Revenues are derived from a storm drain assessment to property owners, which are based on size and use of the parcel, and collected through the property tax rolls.

**County Parking Lot Fund** is used to account for the operation and maintenance of parking lots that are owned by Los Angeles County but leased to the City. Proceeds from the meters and parking permits are divided 55% to the county, with an annual guaranteed minimum of \$130,000 and 45% to the City.

**State Pier and Parking Lot Fund** is used to account for the operation and maintenance of the Manhattan Beach Pier, comfort station and four adjacent parking lots. These properties are owned by the State of California but controlled by the City through an operating agreement.

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Totals
	Stormwater	County Parking Lot	State Pier and Parking Lot	
<b>Assets:</b>				
Current:				
Cash and investments	\$ 3,074,936	\$ 641,742	\$ 1,342,728	\$ 5,059,406
Receivables:				
Accounts	31,798	-	-	31,798
Total Current Assets	<u>3,106,734</u>	<u>641,742</u>	<u>1,342,728</u>	<u>5,091,204</u>
Noncurrent:				
Net pension asset	61,218	22,812	22,810	106,840
Capital assets - net of accumulated depreciation	<u>3,654,579</u>	<u>-</u>	<u>-</u>	<u>3,654,579</u>
Total Noncurrent Assets	<u>3,715,797</u>	<u>22,812</u>	<u>22,810</u>	<u>3,761,419</u>
<b>Total Assets</b>	<b><u>6,822,531</u></b>	<b><u>664,554</u></b>	<b><u>1,365,538</u></b>	<b><u>8,852,623</u></b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension related items	8,082	3,113	3,114	14,309
Deferred OPEB related items	<u>29,158</u>	<u>11,105</u>	<u>11,105</u>	<u>51,368</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>37,240</u></b>	<b><u>14,218</u></b>	<b><u>14,219</u></b>	<b><u>65,677</u></b>
<b>Liabilities:</b>				
Current:				
Accounts payable	218,886	608,698	47,456	875,040
Accrued payables	32,324	1,191	2,530	36,045
Deposits payable	223,917	-	-	223,917
Bonds payable	<u>4,047</u>	<u>1,508</u>	<u>1,508</u>	<u>7,063</u>
Total Current Liabilities	<u>479,174</u>	<u>611,397</u>	<u>51,494</u>	<u>1,142,065</u>
Noncurrent:				
Net OPEB liability	17,281	6,582	6,582	30,445
Bonds payable	<u>99,339</u>	<u>37,017</u>	<u>37,015</u>	<u>173,371</u>
Total Noncurrent Liabilities	<u>116,620</u>	<u>43,599</u>	<u>43,597</u>	<u>203,816</u>
<b>Total Liabilities</b>	<b><u>595,794</u></b>	<b><u>654,996</u></b>	<b><u>95,091</u></b>	<b><u>1,345,881</u></b>
<b>Deferred Inflows of Resources:</b>				
Deferred pension related items	41,215	15,358	15,357	71,930
Deferred OPEB related items	<u>11,185</u>	<u>4,260</u>	<u>4,260</u>	<u>19,705</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>52,400</u></b>	<b><u>19,618</u></b>	<b><u>19,617</u></b>	<b><u>91,635</u></b>
<b>Net Position:</b>				
Investment in capital assets	3,654,579	-	-	3,654,579
Unrestricted	<u>2,556,998</u>	<u>4,158</u>	<u>1,265,049</u>	<u>3,826,205</u>
<b>Total Net Position</b>	<b><u>\$ 6,211,577</u></b>	<b><u>\$ 4,158</u></b>	<b><u>\$ 1,265,049</u></b>	<b><u>\$ 7,480,784</u></b>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2022

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Stormwater</b>	<b>County Parking Lot</b>	<b>State Pier and Parking Lot</b>	<b>Totals</b>
<b>Operating Revenues:</b>				
Sales and service charges	\$ 336,494	\$ 1,339,384	\$ 912,531	\$ 2,588,409
Miscellaneous	2,320	-	555	2,875
<b>Total Operating Revenues</b>	<b>338,814</b>	<b>1,339,384</b>	<b>913,086</b>	<b>2,591,284</b>
<b>Operating Expenses:</b>				
Salaries	80,428	30,810	30,812	142,050
Employee benefits	24,667	4,872	4,871	34,410
Contract and professional services	1,283,494	47,401	209,703	1,540,598
Materials and services	7,106	-	219,066	226,172
Utilities	39,590	3,475	32,417	75,482
Administrative service charges	194,712	37,356	44,172	276,240
Leases and rents	-	666,005	-	666,005
Depreciation expense	147,650	-	-	147,650
<b>Total Operating Expenses</b>	<b>1,777,647</b>	<b>789,919</b>	<b>541,041</b>	<b>3,108,607</b>
Operating Income (Loss)	(1,438,833)	549,465	372,045	(517,323)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	(35,329)	-	(26,580)	(61,909)
Interest expense	(2,432)	(910)	(910)	(4,252)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(37,761)</b>	<b>(910)</b>	<b>(27,490)</b>	<b>(66,161)</b>
Income (Loss) Before Transfers	(1,476,594)	548,555	344,555	(583,484)
Transfers in	2,183,688	-	-	2,183,688
Transfers out	-	(532,628)	-	(532,628)
Changes in Net Position	707,094	15,927	344,555	1,067,576
<b>Net Position:</b>				
Beginning of Year	5,504,483	(11,769)	920,494	6,413,208
<b>End of Fiscal Year</b>	<b>\$ 6,211,577</b>	<b>\$ 4,158</b>	<b>\$ 1,265,049</b>	<b>\$ 7,480,784</b>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2022

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Stormwater</b>	<b>County Parking Lot</b>	<b>State Pier and Parking Lot</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 386,705	\$ 1,339,384	\$ 913,086	\$ 2,639,175
Cash paid to suppliers for goods and services	(1,570,946)	(826,370)	(490,686)	(2,888,002)
Cash paid to employees for services	(105,700)	(38,787)	(39,979)	(184,466)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,289,941)</b>	<b>474,227</b>	<b>382,421</b>	<b>(433,293)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	-	(532,628)	-	(532,628)
Cash transfers in	2,183,688	-	-	2,183,688
Principal paid on pension obligation bonds	(3,712)	(1,383)	(1,383)	(6,478)
Interest paid on pension obligation bonds	(2,764)	(1,034)	(1,034)	(4,832)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>2,177,212</b>	<b>(535,045)</b>	<b>(2,417)</b>	<b>1,639,750</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(10,493)	-	-	(10,493)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(10,493)</b>	<b>-</b>	<b>-</b>	<b>(10,493)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	(35,329)	-	(26,580)	(61,909)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(35,329)</b>	<b>-</b>	<b>(26,580)</b>	<b>(61,909)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>841,449</b>	<b>(60,818)</b>	<b>353,424</b>	<b>1,134,055</b>
Cash and Cash Equivalents at Beginning of Year	2,233,487	702,560	989,304	3,925,351
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 3,074,936</b>	<b>\$ 641,742</b>	<b>\$ 1,342,728</b>	<b>\$ 5,059,406</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (1,438,833)	\$ 549,465	\$ 372,045	\$ (517,323)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	147,650	-	-	147,650
(Increase) decrease in accounts receivable	281,173	-	-	281,173
Increase (decrease) in accounts payable	(43,947)	(72,133)	12,159	(103,921)
Increase (decrease) in accrued payables	(2,097)	1,191	2,513	1,607
Increase (decrease) in deposits payable	(233,282)	-	-	(233,282)
Increase (decrease) in net pension liability	(162,293)	(64,723)	(64,720)	(291,736)
Increase (decrease) in net OPEB liability	(7,951)	(3,031)	(3,031)	(14,013)
Increase (decrease) in deferred pension related items	158,373	59,163	59,160	276,696
Increase (decrease) in deferred OPEB related items	11,266	4,295	4,295	19,856
<b>Total Adjustments</b>	<b>148,892</b>	<b>(75,238)</b>	<b>10,376</b>	<b>84,030</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,289,941)</b>	<b>\$ 474,227</b>	<b>\$ 382,421</b>	<b>\$ (433,293)</b>

**Non-Cash Investing, Capital, and Financing Activities:**

There was no non-cash investing, capital and financing activities during the fiscal year.

**CITY OF MANHATTAN BEACH**

**JUNE 30, 2022**

**INTERNAL SERVICE FUNDS**

Internal Service Funds have been established to finance, administer and account for the provision of goods and services to all funds and all departments on a cost-reimbursement basis.

**Insurance Reserve Fund** is used to account for the City's self-insured workers' compensation and general liability programs. The fund collects premiums from departments based on claims history.

**Information Systems Fund** is used to account for the operation, maintenance and replacement of the City's Information Systems including the citywide network and related hardware and software. Revenues are generated from charges to departments based on the number of PCs in use.

**Fleet Management Fund** is used to account for the operation, maintenance and replacement of City vehicles. Revenues are generated from vehicle rental charges to departments based upon the number, type and age of vehicles utilized.

**Building Maintenance and Operations Fund** is used to account for the operation and maintenance of certain City facilities. Revenues are generated by charges to user departments based on the number of personnel in the department.

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2022

	Governmental Activities - Internal Service Funds				Totals
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	
<b>Assets:</b>					
Current:					
Cash and investments	\$ 19,649,749	\$ 1,586,800	\$ 3,828,950	\$ 22,167	\$ 25,087,666
Receivables:					
Accounts	1,450	-	-	-	1,450
Inventories	-	-	-	100,640	100,640
Total Current Assets	<u>19,651,199</u>	<u>1,586,800</u>	<u>3,828,950</u>	<u>122,807</u>	<u>25,189,756</u>
Noncurrent:					
Net pension asset	321,921	1,004,415	287,330	392,110	2,005,776
Capital assets - net of accumulated depreciation	-	-	3,400,748	119,655	3,520,403
Total Noncurrent Assets	<u>321,921</u>	<u>1,004,415</u>	<u>3,688,078</u>	<u>511,765</u>	<u>5,526,179</u>
<b>Total Assets</b>	<b><u>19,973,120</u></b>	<b><u>2,591,215</u></b>	<b><u>7,517,028</u></b>	<b><u>634,572</u></b>	<b><u>30,715,935</u></b>
<b>Deferred Outflows of Resources:</b>					
Deferred pension related items	42,747	116,556	32,115	43,921	235,339
Deferred OPEB related items	91,630	211,027	111,066	138,832	552,555
<b>Total Deferred Outflows of Resources</b>	<b><u>134,377</u></b>	<b><u>327,583</u></b>	<b><u>143,181</u></b>	<b><u>182,753</u></b>	<b><u>787,894</u></b>
<b>Liabilities:</b>					
Current:					
Accounts payable	10,563	82,222	13,321	128,270	234,376
Accrued liabilities	466	1,885	46,897	19,838	69,086
Deferred revenues	1,627	-	-	-	1,627
Workers' compensation claims	9,036,287	-	-	-	9,036,287
Accrued claims and judgments	1,737,238	-	-	-	1,737,238
Leases payable	-	-	-	44,899	44,899
Bonds payable	21,284	66,407	18,997	25,924	132,612
Total Current Liabilities	<u>10,807,465</u>	<u>150,514</u>	<u>79,215</u>	<u>218,931</u>	<u>11,256,125</u>
Noncurrent:					
Net OPEB liability	54,308	125,073	65,827	82,284	327,492
Workers' compensation claims	6,348,000	-	-	-	6,348,000
Accrued claims and judgments	682,500	-	-	-	682,500
Leases payable	-	-	-	75,464	75,464
Bonds payable	522,383	1,629,872	466,252	636,281	3,254,788
Total Noncurrent Liabilities	<u>7,607,191</u>	<u>1,754,945</u>	<u>532,079</u>	<u>794,029</u>	<u>10,688,244</u>
<b>Total Liabilities</b>	<b><u>18,414,656</u></b>	<b><u>1,905,459</u></b>	<b><u>611,294</u></b>	<b><u>1,012,960</u></b>	<b><u>21,944,369</u></b>
<b>Deferred Inflows of Resources:</b>					
Deferred pension related items	216,730	676,215	193,443	263,985	1,350,373
Deferred OPEB related items	35,149	80,949	42,604	53,256	211,958
<b>Total Deferred Inflows of Resources</b>	<b><u>251,879</u></b>	<b><u>757,164</u></b>	<b><u>236,047</u></b>	<b><u>317,241</u></b>	<b><u>1,562,331</u></b>
<b>Net Position:</b>					
Invested in capital assets	-	-	3,400,748	-	3,400,748
Unrestricted	1,440,962	256,175	3,412,120	(512,876)	4,596,381
<b>Total Net Position</b>	<b><u>\$ 1,440,962</u></b>	<b><u>\$ 256,175</u></b>	<b><u>\$ 6,812,868</u></b>	<b><u>\$ (512,876)</u></b>	<b><u>\$ 7,997,129</u></b>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds				Totals
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	
<b>Operating Revenues:</b>					
Interdepartmental service charges	\$ 13,920,160	\$ 3,036,714	\$ 2,253,858	\$ 1,628,747	\$ 20,839,479
Miscellaneous	-	92	37,443	-	37,535
<b>Total Operating Revenues</b>	<b>13,920,160</b>	<b>3,036,806</b>	<b>2,291,301</b>	<b>1,628,747</b>	<b>20,877,014</b>
<b>Operating Expenses:</b>					
Salaries	406,769	1,199,262	289,436	408,210	2,303,677
Employee benefits	57,523	615,305	28,387	82,403	783,618
Contract for professional services	209,528	566,416	198,801	612,192	1,586,937
Materials and services	454,457	713,948	551,861	420,903	2,141,169
Utilities	150	905	-	118,416	119,471
Claims expense	9,648,523	-	-	-	9,648,523
Depreciation expense	-	-	768,940	48,565	817,505
<b>Total Operating Expenses</b>	<b>10,776,950</b>	<b>3,095,836</b>	<b>1,837,425</b>	<b>1,690,689</b>	<b>17,400,900</b>
Operating Income (Loss)	3,143,210	(59,030)	453,876	(61,942)	3,476,114
<b>Nonoperating Revenues (Expenses):</b>					
Interest expense	(12,805)	(39,952)	(11,432)	(15,602)	(79,791)
Gain (loss) on disposal of capital assets	-	-	(18,034)	-	(18,034)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(12,805)</b>	<b>(39,952)</b>	<b>(29,466)</b>	<b>(15,602)</b>	<b>(97,825)</b>
Income (Loss) Before Transfers	3,130,405	(98,982)	424,410	(77,544)	3,378,289
Changes in Net Position	3,130,405	(98,982)	424,410	(77,544)	3,378,289
<b>Net Position:</b>					
Beginning of Year	(1,689,443)	355,157	6,388,458	(435,332)	4,618,840
<b>End of Fiscal Year</b>	<b>\$ 1,440,962</b>	<b>\$ 256,175</b>	<b>\$ 6,812,868</b>	<b>\$ (512,876)</b>	<b>\$ 7,997,129</b>



CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds				
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Totals
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 244	\$ 92	\$ 44,549	\$ -	\$ 44,885
Cash received from interfund service provided	13,920,160	3,036,714	2,253,858	1,628,747	20,839,479
Cash paid to suppliers for goods and services	(10,571,494)	(1,277,447)	(746,491)	(1,073,814)	(13,669,246)
Cash paid to employees for services	(518,748)	(1,476,725)	(357,828)	(495,840)	(2,849,141)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,830,162</b>	<b>282,634</b>	<b>1,194,088</b>	<b>59,093</b>	<b>4,365,977</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Principal paid on pension obligation bonds	(19,518)	(60,898)	(17,420)	(23,774)	(121,610)
Interest paid on pension obligation bonds	(14,550)	(45,397)	(12,990)	(13,877)	(86,814)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(34,068)</b>	<b>(106,295)</b>	<b>(30,410)</b>	<b>(37,651)</b>	<b>(208,424)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	-	-	(232,492)	-	(232,492)
Principal paid on capital debt	-	-	-	(47,857)	(47,857)
Interest paid on capital debt	-	-	-	(3,851)	(3,851)
Proceeds from sales of capital assets	-	-	20,525	-	20,525
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(211,967)</b>	<b>(51,708)</b>	<b>(263,675)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,796,094</b>	<b>176,339</b>	<b>951,711</b>	<b>(30,266)</b>	<b>3,893,878</b>
Cash and Cash Equivalents at Beginning of Year	16,853,655	1,410,461	2,877,239	52,433	21,193,788
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 19,649,749</b>	<b>\$ 1,586,800</b>	<b>\$ 3,828,950</b>	<b>\$ 22,167</b>	<b>\$ 25,087,666</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 3,143,210	\$ (59,030)	\$ 453,876	\$ (61,942)	\$ 3,476,114
<b>Adjustments to Reconcile Operating Income (loss) Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation	-	-	768,940	48,565	817,505
(Increase) decrease in accounts receivable	(1,383)	-	7,106	-	5,723
(Increase) decrease in prepaid expense	-	-	-	92	92
(Increase) decrease in inventory	-	-	-	1,832	1,832
Increase (decrease) in accounts payable	(9,447)	3,822	(42,709)	75,773	27,439
Increase (decrease) in accrued payables	466	1,451	46,880	19,811	68,608
Increase (decrease) in net pension liability	(900,694)	(2,275,620)	(804,291)	(1,064,555)	(5,045,160)
Increase (decrease) in net OPEB liability	(24,985)	(33,513)	(30,281)	(37,852)	(126,631)
Increase (decrease) in deferred pension related items	835,348	2,591,823	751,652	1,023,724	5,202,547
Increase (decrease) in deferred OPEB related items	35,409	53,701	42,915	53,645	185,670
Increase (decrease) in workers' compensation claims	(327,254)	-	-	-	(327,254)
Increase (decrease) in claims and judgments	77,865	-	-	-	77,865
<b>Total Adjustments</b>	<b>(313,048)</b>	<b>341,664</b>	<b>740,212</b>	<b>121,035</b>	<b>889,863</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,830,162</b>	<b>\$ 282,634</b>	<b>\$ 1,194,088</b>	<b>\$ 59,093</b>	<b>\$ 4,365,977</b>

**Non-Cash Investing, Capital, and Financing Activities:**

There was no non-cash investing, capital and financing activities during the fiscal year.

# STATISTICAL SECTION



## Statistical Section (Unaudited)

*This part of the City's Statistical's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.*

### Contents

### Exhibits

#### **Financial Trends**

*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

**A-2 to A-5**

#### **Revenue Capacity**

*These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.*

**A-6 to A-14**

#### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.*

**A-15 to A-18**

#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.*

**A-19 to A-21**

#### **Operating & Other Information**

*These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.*

**A-22 to A-25**

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The city implemented Statement 34 in FY2002-2003; schedules presenting government-wide information include information beginning in that year. Where ever possible and practical the City provided historical data as far back as ten years.*



## **Statistical Section**

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.*

**City of Manhattan Beach**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>Fiscal Year Ending</b>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities</b>					
Net Investment in capital assets	\$ 98,930,447	\$ 100,924,816	\$ 101,159,813	\$ 102,028,495	\$ 103,345,895
Restricted:					
Debt Service & Restricted Cash	1,130,434	977,888	32,566	12,586	-
Special Revenue Funds	9,065,922	10,266,913	10,186,991	10,784,745	11,329,103
Post-Employment Benefits	-	-	-	-	-
Total Restricted	<u>10,196,356</u>	<u>11,244,801</u>	<u>10,219,557</u>	<u>10,797,331</u>	<u>11,329,103</u>
Unrestricted (1,2,3)	<u>31,058,162</u>	<u>31,714,367</u>	<u>(17,546,716)</u>	<u>(15,597,553)</u>	<u>(16,091,037)</u>
Total governmental activities net position	<u>\$ 140,184,965</u>	<u>\$ 143,883,984</u>	<u>\$ 93,832,654</u>	<u>\$ 97,228,273</u>	<u>\$ 98,583,961</u>
<b>Business-type activities</b>					
Net Investment in capital assets	\$ 33,902,701	\$ 34,342,910	\$ 35,610,816	\$ 40,621,092	\$ 42,329,262
Restricted:					
Business Improvement district	520,514	532,510	546,317	541,863	552,266
Debt Service & Restricted Cash	-	215,656	204,856	-	-
Total Restricted	<u>520,514</u>	<u>748,166</u>	<u>751,173</u>	<u>541,863</u>	<u>552,266</u>
Unrestricted	<u>21,754,310</u>	<u>29,522,345</u>	<u>36,006,212</u>	<u>38,979,894</u>	<u>43,669,078</u>
Total business-type activities net position	<u>\$ 56,177,525</u>	<u>\$ 64,613,421</u>	<u>\$ 72,368,201</u>	<u>\$ 80,142,849</u>	<u>\$ 86,550,606</u>
<b>Primary government</b>					
Net Investment in capital assets	\$ 132,833,148	\$ 135,267,726	\$ 136,770,629	\$ 142,649,587	\$ 145,675,157
Restricted:					
Business Improvement district	520,514	532,510	546,317	541,863	552,266
Debt Service & Restricted Cash	1,130,434	1,193,544	237,422	12,586	-
Special Revenue Funds	9,065,922	10,266,913	10,186,991	10,784,745	11,329,103
Post-Employment Benefits	-	-	-	-	-
Total Restricted	<u>1,650,948</u>	<u>1,726,054</u>	<u>783,739</u>	<u>554,449</u>	<u>552,266</u>
Unrestricted	<u>52,812,472</u>	<u>61,236,712</u>	<u>18,459,496</u>	<u>23,382,341</u>	<u>27,578,041</u>
Total primary government net position	<u>\$ 187,296,568</u>	<u>\$ 198,230,492</u>	<u>\$ 156,013,864</u>	<u>\$ 166,586,377</u>	<u>\$ 173,805,464</u>

- (1) Starting in Fiscal Year ending June 30, 2015, activities reflect pension expense in accordance with GASB 68.  
(2) Starting in Fiscal Year ending June 30, 2018, activities reflect OPEB pronouncements in accordance with GASB 75.  
(3) Starting in Fiscal Year ending June 30, 2022, activities reflect pronouncements in accordance with GASB 87.

**City of Manhattan Beach**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit A-2**

	<b>Fiscal Year Ending</b>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Governmental activities</b>					
Net Investment in capital assets	\$ 103,659,026	\$ 111,406,609	\$ 113,205,816	\$ 110,223,781	\$ 105,850,112
Restricted:					
Debt Service & Restricted Cash	-	-	-	-	1,113,451
Special Revenue Funds	9,897,701	7,004,222	20,404,297	11,034,877	11,872,909
Post-Employment Benefits	<u>763,621</u>	<u>1,068,946</u>	<u>1,365,844</u>	<u>1,820,529</u>	<u>1,603,036</u>
Total Restricted	10,661,322	8,073,168	21,770,141	12,855,406	14,589,396
Unrestricted (1,2,3)	<u>(14,862,095)</u>	<u>(19,756,174)</u>	<u>(29,141,204)</u>	<u>(31,912,766)</u>	<u>35,997,886</u>
Total governmental activities net position	<u>\$ 99,458,253</u>	<u>\$ 99,723,603</u>	<u>\$ 105,834,753</u>	<u>\$ 91,166,421</u>	<u>\$ 156,437,394</u>
<b>Business-type activities</b>					
Net Investment in capital assets	\$ 43,188,261	\$ 43,807,896	\$ 47,574,700	\$ 59,896,315	\$ 75,545,929
Restricted:					
Business Improvement district	553,653	571,598	508,505	420,300	390,867
Debt Service & Restricted Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Restricted	553,653	571,598	508,505	420,300	390,867
Unrestricted	<u>48,387,171</u>	<u>56,303,666</u>	<u>60,652,282</u>	<u>51,521,530</u>	<u>41,343,066</u>
Total business-type activities net position	<u>\$ 92,129,085</u>	<u>\$ 100,683,160</u>	<u>\$ 108,735,487</u>	<u>\$ 111,838,145</u>	<u>\$ 117,279,862</u>
<b>Primary government</b>					
Net Investment in capital assets	\$ 146,847,287	\$ 155,214,505	\$ 160,780,516	\$ 170,120,096	\$ 181,396,041
Restricted:					
Business Improvement district	553,653	571,598	508,505	420,300	390,867
Debt Service & Restricted Cash	-	-	-	-	1,113,451
Special Revenue Funds	9,897,701	7,004,222	20,404,297	11,034,877	11,872,909
Post-Employment Benefits	<u>763,621</u>	<u>1,068,946</u>	<u>1,365,844</u>	<u>1,820,529</u>	<u>1,603,036</u>
Total Restricted	11,214,975	8,644,766	22,278,646	13,275,706	14,980,263
Unrestricted	<u>33,525,076</u>	<u>36,547,492</u>	<u>31,511,078</u>	<u>19,608,764</u>	<u>77,340,952</u>
Total primary government net position	<u>\$ 191,587,338</u>	<u>\$ 200,406,763</u>	<u>\$ 214,570,240</u>	<u>\$ 203,004,566</u>	<u>\$ 273,717,256</u>

Source: City of Manhattan Beach Finance Department Historical ACFRs



**City of Manhattan Beach**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 8,659,381	\$ 11,102,480	\$ 12,276,294	\$ 13,318,679	\$ 13,812,252
Public Safety	33,374,733	34,955,520	37,098,767	37,458,469	41,381,149
Culture and recreation	5,798,599	7,062,072	7,707,656	8,476,953	9,020,080
Public Works	8,044,071	7,256,983	9,084,861	8,396,503	9,572,971
Interest on long-term debt	791,358	384,950	428,406	416,551	616,179
<b>Total governmental activities expenses</b>	<b>56,668,142</b>	<b>60,762,005</b>	<b>66,595,984</b>	<b>68,067,155</b>	<b>74,402,631</b>
Business-type activities:					
Water	8,857,744	9,235,903	9,133,069	9,851,136	10,729,445
Stormwater	402,914	765,387	778,084	1,117,244	1,005,835
Wastewater	2,024,852	2,068,755	1,679,545	1,383,922	1,430,253
Refuse	4,167,310	3,900,588	4,011,830	4,110,197	3,999,131
Parking	3,385,556	2,963,610	3,160,043	4,000,175	3,785,249
<b>Total business-type activities expenses</b>	<b>18,838,376</b>	<b>18,934,243</b>	<b>18,762,571</b>	<b>20,462,674</b>	<b>20,949,913</b>
<b>Total primary government expenses</b>	<b>\$ 75,506,518</b>	<b>\$ 79,696,248</b>	<b>\$ 85,358,555</b>	<b>\$ 88,529,829</b>	<b>\$ 95,352,544</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 4,535,499	\$ 4,950,743	\$ 5,814,648	\$ 5,859,027	\$ 7,099,310
Public Safety	5,172,443	4,154,836	4,309,976	4,182,052	4,173,082
Culture and recreation	2,470,359	2,798,673	3,034,335	3,135,249	3,420,580
Public works	3,792,239	3,563,085	4,074,858	4,253,809	5,293,202
Operating grants and contributions	1,847,316	1,638,522	1,739,455	1,587,534	2,304,536
Capital grants and contributions	2,032,724	2,314,830	2,724,621	2,316,956	1,850,921
<b>Total governmental activities program revenues</b>	<b>19,850,580</b>	<b>19,420,689</b>	<b>21,697,893</b>	<b>21,334,627</b>	<b>24,141,631</b>
Business-type activities:					
Charges for services:					
Water	14,916,283	16,275,584	16,101,667	14,514,443	14,670,316
Stormwater	345,821	344,556	353,616	345,736	348,880
Wastewater	3,406,077	3,626,144	3,562,456	3,281,179	3,293,933
Refuse	4,426,190	3,965,882	4,063,886	4,242,316	4,205,361
Parking	3,506,309	3,761,948	3,899,746	3,828,054	3,715,624
Operating grants and contributions	69,937	19,880	10,020	19,611	9,353
Capital grants and contributions	500,000	-	-	850,000	-
<b>Total business-type activities program revenues</b>	<b>27,170,617</b>	<b>27,993,994</b>	<b>27,991,391</b>	<b>27,081,339</b>	<b>26,243,467</b>
<b>Total primary government program revenues</b>	<b>\$ 47,021,197</b>	<b>\$ 47,414,683</b>	<b>\$ 49,689,284</b>	<b>\$ 48,415,966</b>	<b>\$ 50,385,098</b>

Fiscal Year Ending				
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 15,510,329	\$ 15,887,856	\$ 17,765,606	\$ 17,133,923	\$ 14,877,262
43,350,463	46,314,516	49,316,528	49,746,507	(8,739,663)
9,895,447	9,922,148	8,580,759	7,966,453	8,399,151
10,188,714	10,805,410	18,749,101	26,157,349	17,978,786
465,472	439,858	415,642	678,619	2,877,188
<u>79,410,425</u>	<u>83,369,788</u>	<u>94,827,636</u>	<u>101,682,851</u>	<u>35,392,724</u>
11,305,635	12,141,933	11,996,331	13,820,298	12,575,813
1,657,886	1,052,389	1,122,871	1,451,533	1,780,079
1,454,510	1,754,562	1,780,379	1,845,203	1,959,843
4,223,690	4,109,233	4,241,681	-	-
4,463,751	3,561,198	3,471,329	4,557,379	4,119,341
<u>23,105,472</u>	<u>22,619,315</u>	<u>22,612,591</u>	<u>21,674,413</u>	<u>20,435,076</u>
<u>\$ 102,515,897</u>	<u>\$ 105,989,103</u>	<u>\$ 117,440,227</u>	<u>\$ 123,357,264</u>	<u>\$ 55,827,800</u>
\$ 4,198,331	\$ 6,495,480	\$ 5,638,942	\$ 9,555,217	\$ 8,737,206
4,586,742	3,538,806	3,418,760	3,497,543	4,145,094
3,731,563	3,757,047	3,164,582	2,104,003	3,675,974
6,831,671	5,540,348	4,752,704	5,819,113	7,112,774
3,253,902	2,190,097	2,800,719	813,280	1,578,282
2,461,094	4,046,717	22,682,418	7,465,878	6,356,153
<u>25,063,303</u>	<u>25,568,495</u>	<u>42,458,125</u>	<u>29,255,034</u>	<u>31,605,483</u>
15,527,415	15,424,972	15,348,975	15,705,887	15,108,592
349,888	350,106	343,406	308,133	336,494
3,417,772	3,462,973	3,599,946	3,592,183	3,556,257
4,306,957	4,131,074	4,474,113	-	-
3,862,585	4,439,452	4,326,827	5,458,430	6,784,740
331,705	117,833	23,090	-	-
-	-	-	-	-
<u>27,796,322</u>	<u>27,926,410</u>	<u>28,116,357</u>	<u>25,064,633</u>	<u>25,786,083</u>
<u>\$ 52,859,625</u>	<u>\$ 53,494,905</u>	<u>\$ 70,574,482</u>	<u>\$ 54,319,667</u>	<u>\$ 57,391,566</u>

**City of Manhattan Beach**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending				
	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>					
Governmental activities (1,2)	\$ (36,817,562)	\$ (41,341,316)	\$ (44,898,091)	\$ (46,732,528)	\$ (50,261,000)
Business-type activities (1,2)	8,332,241	9,059,751	9,228,820	6,618,665	5,293,554
Total primary government net expense	<u>\$ (28,485,321)</u>	<u>\$ (32,281,565)</u>	<u>\$ (35,669,271)</u>	<u>\$ (40,113,863)</u>	<u>\$ (44,967,446)</u>
<b>General Revenues and Other Changes</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 21,626,173	\$ 23,353,743	\$ 24,435,184	\$ 26,344,276	\$ 28,215,709
Sales taxes	9,103,160	8,921,346	9,268,657	8,826,767	9,088,502
Transient occupancy tax	3,881,174	4,289,009	4,809,421	5,139,425	5,201,518
Motor vehicle in lieu tax	18,887	15,631	15,099	14,430	15,812
Business license tax	3,124,644	3,140,273	3,376,113	3,475,792	3,658,194
Franchise taxes	1,471,197	1,441,769	1,539,453	1,439,957	1,256,125
Real estate transfer taxes	587,399	642,718	720,826	850,974	776,298
Rental income	2,406,174	2,554,820	2,751,302	3,028,151	3,299,373
Investment earnings	226,951	480,568	433,200	841,905	195,755
Other	151,613	-	111,382	809,976	724,240
Special Items (3)	-	-	-	-	-
Transfers	200,583	200,458	250,324	(643,506)	(814,838)
Total governmental activities	<u>42,797,955</u>	<u>45,040,335</u>	<u>47,710,961</u>	<u>50,128,147</u>	<u>51,616,688</u>
Business-type activities:					
Investment earnings	56,266	151,923	273,944	479,475	70,885
Transfers	(200,583)	(200,458)	(250,324)	643,506	814,838
Special Items (3)	-	-	-	-	-
Other	19,521	43,388	74,643	60,678	258,030
Total business-type activities	<u>(124,796)</u>	<u>(5,147)</u>	<u>98,263</u>	<u>1,183,659</u>	<u>1,143,753</u>
Total primary government	<u>\$ 42,673,159</u>	<u>\$ 45,035,188</u>	<u>\$ 47,809,224</u>	<u>\$ 51,311,806</u>	<u>\$ 52,760,441</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 5,980,393	\$ 3,699,019	\$ 2,812,870	\$ 3,395,619	\$ 1,355,688
Business-type activities	8,207,445	9,054,604	9,327,083	7,802,324	6,437,307
Total primary government	<u>\$ 14,187,838</u>	<u>\$ 12,753,623</u>	<u>\$ 12,139,953</u>	<u>\$ 11,197,943</u>	<u>\$ 7,792,995</u>

(1) Starting in Fiscal Year ending June 30, 2015, activities reflect pension expense in accordance with GASB 68

(2) Starting in Fiscal Year ending June 30, 2018, activities reflect OPEB pronouncements in accordance with GASB 75

(3) Special Items in FY 2021 recorded the transfer of net pension and OPEB liabilities and related outflows/inflows due to the closure of the Refuse fund.

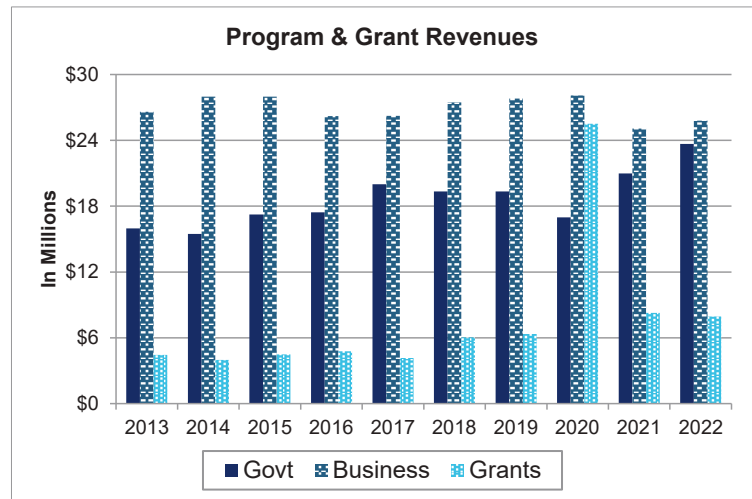
Exhibit A-3  
Continued

Fiscal Year Ending				
2018	2019	2020	2021	2022
\$ (54,347,122)	\$ (57,801,293)	\$ (52,369,511)	\$ (72,427,817)	\$ (3,787,241)
4,690,850	5,307,095	5,503,766	3,390,220	5,351,007
\$ (49,656,272)	\$ (52,494,198)	\$ (46,865,745)	\$ (69,037,597)	\$ 1,563,766
\$ 30,318,225	\$ 32,107,341	\$ 34,002,017	\$ 37,598,821	\$ 39,491,986
9,083,389	9,734,444	8,817,192	10,088,430	13,217,943
4,429,080	5,140,858	4,203,026	2,802,514	6,464,049
18,680	17,276	28,431	-	-
3,718,418	4,053,020	3,652,228	3,755,555	5,175,626
1,262,037	1,234,752	1,167,345	1,189,086	1,217,755
788,203	1,013,516	1,102,815	1,842,571	1,839,059
2,402,463	3,394,762	2,815,741	2,339,670	3,073,065
413,405	2,352,641	2,683,390	141,900	(1,922,527)
10,345	27,943	42,997	1,440,844	2,152,318
-	-	-	(148,434)	-
(735,737)	(1,009,910)	(34,521)	421,631	(1,651,060)
51,708,508	58,066,643	58,480,661	61,472,588	69,058,214
224,471	2,237,070	2,554,232	(21,070)	(1,458,512)
735,737	1,009,910	34,521	(421,631)	1,651,060
-	-	-	148,434	-
2,580	-	76,430	55,826	396,132
962,788	3,246,980	2,665,183	(238,441)	588,680
\$ 52,671,296	\$ 61,313,623	\$ 61,145,844	\$ 61,234,147	\$ 69,646,894
\$ (2,638,614)	\$ 265,350	\$ 6,111,150	\$ (10,955,229)	\$ 65,270,973
5,653,638	8,554,075	8,168,949	3,151,779	5,939,687
\$ 3,015,024	\$ 8,819,425	\$ 14,280,099	\$ (7,803,450)	\$ 71,210,660

Source: City of Manhattan Beach Finance Department Historical ACFRs

**City of Manhattan Beach**  
**Program Revenues by Function/Program,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 4,535,499	\$ 4,950,743	\$ 5,814,648	\$ 5,859,027	\$ 7,099,310
Public Safety	5,172,443	4,154,836	4,309,976	4,182,052	4,173,082
Culture and recreation	2,470,359	2,798,673	3,034,335	3,135,249	3,420,580
Public works	3,792,239	3,563,085	4,074,858	4,253,809	5,293,202
Operating grants and contributions	1,847,316	1,638,522	1,739,455	1,587,534	2,304,536
Capital grants and contributions	2,032,724	2,314,830	2,724,621	2,316,956	1,850,921
<b>Total governmental activities program revenues</b>	<b>19,850,580</b>	<b>19,420,689</b>	<b>21,697,893</b>	<b>21,334,627</b>	<b>24,141,631</b>
Business-type activities:					
Charges for services:					
Water	14,916,283	16,275,584	16,101,667	14,514,443	14,670,316
Stormwater	345,821	344,556	353,616	345,736	348,880
Wastewater	3,406,077	3,626,144	3,562,456	3,281,179	3,293,933
Refuse	4,426,190	3,965,882	4,063,886	4,242,316	4,205,361
Parking	3,506,309	3,761,948	3,899,746	3,828,054	3,715,624
Operating grants and contributions	69,937	19,880	10,020	19,611	9,353
Capital grants and contributions	500,000	-	-	850,000	-
<b>Total business-type activities program revenues</b>	<b>27,170,617</b>	<b>27,993,994</b>	<b>27,991,391</b>	<b>27,081,339</b>	<b>26,243,467</b>
<b>Total primary government program revenues</b>	<b>\$ 47,021,197</b>	<b>\$ 47,414,683</b>	<b>\$ 49,689,284</b>	<b>\$ 48,415,966</b>	<b>\$ 50,385,098</b>



Source: City of Manhattan Beach Finance Department

City of Manhattan Beach  
 Program Revenues by Function/Program,  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

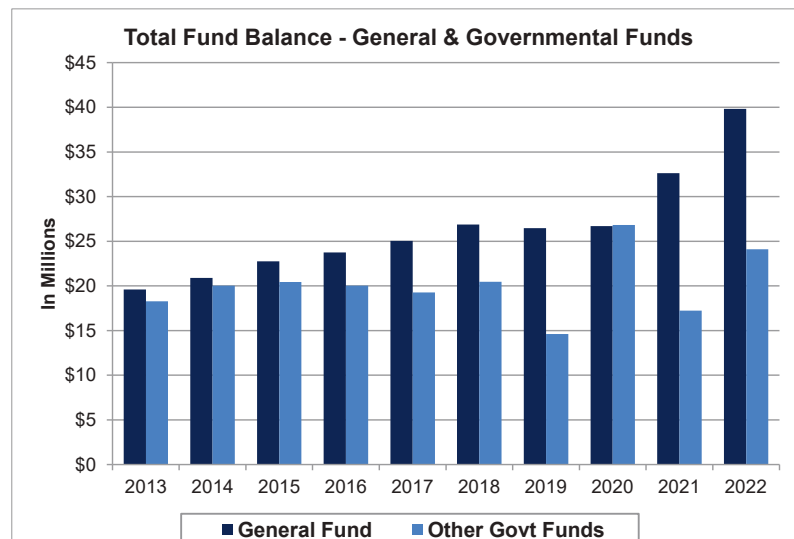
Exhibit A-4

	Fiscal Year				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 4,198,331	\$ 6,495,480	\$ 5,638,942	\$ 9,555,217	\$ 8,737,206
Public Safety	4,586,742	3,538,806	3,418,760	3,497,543	4,145,094
Culture and recreation	3,731,563	3,757,047	3,164,582	2,104,003	3,675,974
Public works	6,831,671	5,540,348	4,752,704	5,819,113	7,112,774
Operating grants and contributions	3,253,902	2,190,097	2,800,719	813,280	1,578,282
Capital grants and contributions	2,461,094	4,046,717	22,682,418	7,465,878	6,356,153
<b>Total governmental activities program revenues</b>	<b>25,063,303</b>	<b>25,568,495</b>	<b>42,458,125</b>	<b>29,255,034</b>	<b>31,605,483</b>
Business-type activities:					
Charges for services:					
Water	15,527,415	15,424,972	15,348,975	15,705,887	15,108,592
Stormwater	349,888	350,106	343,406	308,133	336,494
Wastewater	3,417,772	3,462,973	3,599,946	3,592,183	3,556,257
Refuse	4,306,957	4,131,074	4,474,113	-	-
Parking	3,862,585	4,439,452	4,326,827	5,458,430	6,784,740
Operating grants and contributions	331,705	117,833	23,090	-	-
Capital grants and contributions	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>27,796,322</b>	<b>27,926,410</b>	<b>28,116,357</b>	<b>25,064,633</b>	<b>25,786,083</b>
<b>Total primary government program revenues</b>	<b>\$ 52,859,625</b>	<b>\$ 53,494,905</b>	<b>\$ 70,574,482</b>	<b>\$ 54,319,667</b>	<b>\$ 57,391,566</b>

Source: City of Manhattan Beach Finance Department

**City of Manhattan Beach**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund					
Reserved					
Debt service & restricted cash	-	-	-	-	-
Encumbrances & other items	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid costs	42,514	46,823	46,080	82,138	133,786
Notes and loans	432,000	1,700,000	1,649,129	3,771,864	1,546,266
Advances to other funds	22,488	-	-	-	-
Restricted					
Post-employment benefits	-	-	-	-	-
Debt service & restricted cash	1,130,434	813,407	32,566	12,586	-
Committed					
School safety/security	-	-	-	-	-
Assigned to City Retirement Plans	-	-	-	-	-
Unassigned	17,961,324	18,338,105	21,036,975	19,883,693	23,367,583
<b>Total General fund</b>	<b>19,588,760</b>	<b>20,898,335</b>	<b>22,764,750</b>	<b>23,750,281</b>	<b>25,047,635</b>
All Other Governmental Funds					
Reserved					
Continuing Projects	-	-	-	-	-
Debt service & restricted cash	-	-	-	-	-
Encumbrances & other items	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable					
Notes and loans	45,052	-	58,232	-	-
Advances to other funds	469,200	-	-	-	-
Restricted					
Public safety	1,073,789	1,084,541	1,000,434	873,595	809,361
Parks and recreation	179,663	-	-	-	-
Public works	4,826,828	4,546,040	4,613,796	5,272,830	5,495,829
Capital projects	3,572,234	4,636,332	4,572,761	4,638,320	5,023,913
Debt service	8,278	164,481	-	-	-
Committed					
Capital projects	8,122,690	9,617,146	10,208,481	9,270,230	7,961,065
Unassigned	(22,488)	(22,488)	(22,488)	(22,488)	(22,488)
<b>Total all other governmental funds</b>	<b>18,275,246</b>	<b>20,026,052</b>	<b>20,431,216</b>	<b>20,032,487</b>	<b>19,267,680</b>
<b>Total all governmental funds</b>	<b>\$ 37,864,006</b>	<b>\$ 40,924,387</b>	<b>\$ 43,195,966</b>	<b>\$ 43,782,768</b>	<b>\$ 44,315,315</b>



Source: City of Manhattan Beach Finance department historical ACFRs

**City of Manhattan Beach**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit A-5

	Fiscal Year Ending				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund					
Reserved					
Debt service & restricted cash	-	-	-	-	-
Encumbrances & other items	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable					
Inventory	\$ -	\$ 7,167	\$ 22,915	\$ 4,285	\$ 6,010
Prepaid costs	753,765	684,023	50,207	1,978	13,585
Notes and loans	1,494,268	-	-	555,299	200,064
Advances to other funds	-	-	-	-	-
Restricted					
Post-employment benefits	763,621	1,068,946	1,365,844	1,820,529	1,603,036
Debt service & restricted cash	-	-	-	-	1,113,451
Committed					
School safety/security	1,000,000	-	-	-	-
Assigned to City Retirement Plans	-	-	130,114	92,390	58,007
Unassigned	22,860,400	24,694,460	25,117,005	30,136,420	36,823,324
<b>Total General fund</b>	<b>26,872,054</b>	<b>26,454,596</b>	<b>26,686,085</b>	<b>32,610,901</b>	<b>39,817,477</b>
All Other Governmental Funds					
Reserved					
Continuing Projects	-	-	-	-	-
Debt service & restricted cash	-	-	-	-	-
Encumbrances & other items	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable					
Notes and loans	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted					
Public safety	730,541	724,355	696,359	545,290	549,448
Parks and recreation	-	-	87,389	434,597	688,527
Public works	348,127	44,857	11,082,956	4,457,737	283,245
Capital projects	8,819,033	6,235,010	8,537,593	5,597,283	10,351,689
Debt service	-	-	-	-	-
Committed					
Capital projects	10,569,488	7,598,135	6,430,018	6,193,057	12,224,799
Unassigned	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>20,467,189</b>	<b>14,602,357</b>	<b>26,834,315</b>	<b>17,227,964</b>	<b>24,097,708</b>
<b>Total all governmental funds</b>	<b>\$ 47,339,243</b>	<b>\$ 41,056,953</b>	<b>\$ 53,520,400</b>	<b>\$ 49,838,865</b>	<b>\$ 63,915,185</b>

Source: City of Manhattan Beach Finance department historical ACFRs





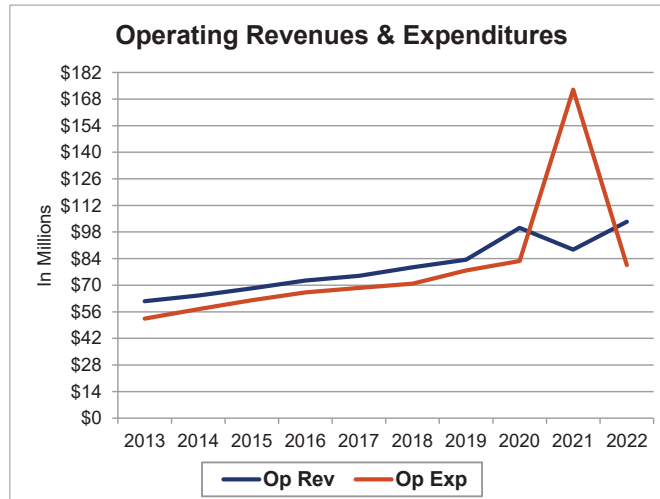
## **Statistical Section**

### **Revenue Capacity**

*These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.*

**City of Manhattan Beach**  
**Changes in Fund Balances**  
**Governmental Funds, Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending				
	2013	2014	2015	2016	2017
<b>Revenues</b>					
Tax and assessments	\$ 42,273,666	\$ 44,213,347	\$ 46,601,118	\$ 48,908,825	\$ 50,405,516
Licenses, fees, and permits	1,513,821	1,759,180	2,185,871	2,812,480	2,738,149
Intergovernmental	1,599,821	2,183,990	2,495,207	2,406,440	2,093,411
Charges for services	9,202,436	10,253,540	10,362,276	10,284,762	11,724,813
Interest and Rents	2,633,124	3,048,749	3,184,502	3,870,056	3,495,128
Fines and forfeitures	2,588,865	2,566,436	2,637,538	2,615,306	2,599,654
Net change fair value investments	(95,900)	30,910	13,651	254,377	(519,971)
Other revenues	1,867,612	490,870	820,295	1,267,893	2,348,814
<b>Total revenues</b>	<b>61,583,445</b>	<b>64,547,022</b>	<b>68,300,458</b>	<b>72,420,139</b>	<b>74,885,514</b>
<b>Expenditures</b>					
General government	9,101,953	10,467,524	11,838,504	13,360,320	13,290,308
Public Safety	30,470,567	33,525,828	34,897,663	37,189,782	38,522,882
Culture and recreation	5,680,001	6,831,568	7,349,487	8,335,111	8,656,533
Public works	7,155,292	6,527,537	8,026,650	7,356,842	8,113,384
<b>Total operating expenditures</b>	<b>52,407,813</b>	<b>57,352,457</b>	<b>62,112,304</b>	<b>66,242,055</b>	<b>68,583,107</b>
<b>Excess of revenue over expenditures</b>	<b>9,175,632</b>	<b>7,194,565</b>	<b>6,188,154</b>	<b>6,178,084</b>	<b>6,302,407</b>
Capital outlay	2,485,027	2,819,131	2,275,709	3,153,156	3,669,140
Debt service					
Interest	640,413	379,123	412,240	403,458	442,116
Principal	2,985,000	1,830,000	1,480,000	725,000	745,000
Fees	-	-	-	-	-
Cost of Issuance	150,944	-	-	-	-
Payment to refunding bond escrow agent	821,153	-	-	-	11,334
<b>Total Non Operating expenditures</b>	<b>7,082,537</b>	<b>5,028,254</b>	<b>4,167,949</b>	<b>4,281,614</b>	<b>4,867,590</b>
<b>Excess of revenues over expenditures</b>	<b>2,093,095</b>	<b>2,166,311</b>	<b>2,020,205</b>	<b>1,896,470</b>	<b>1,434,817</b>
<b>Other financing sources (Uses)</b>					
Bonds issued	-	-	-	-	5,905,000
Premium on bonds issues	-	-	-	-	438,570
Proceeds from sale of capital assets	-	693,612	1,050	838	-
Transfers in	3,770,569	1,260,327	534,480	714,082	1,685,005
Transfers out	(3,569,986)	(1,059,869)	(284,156)	(2,024,588)	(2,587,281)
Other financing sources	11,010,846	-	-	-	-
Other financing uses	(10,851,624)	-	-	-	(6,343,564)
<b>Total other financing sources (uses)</b>	<b>359,805</b>	<b>894,070</b>	<b>251,374</b>	<b>(1,309,668)</b>	<b>(902,270)</b>
Prior Period Adjustment					
<b>Net change in fund balances</b>	<b>2,452,900</b>	<b>3,060,381</b>	<b>2,271,579</b>	<b>586,802</b>	<b>532,547</b>
<b>Debt - % of Operating Expenditures &amp; Debt</b>	<b>6.5%</b>	<b>3.7%</b>	<b>3.0%</b>	<b>1.7%</b>	<b>1.7%</b>

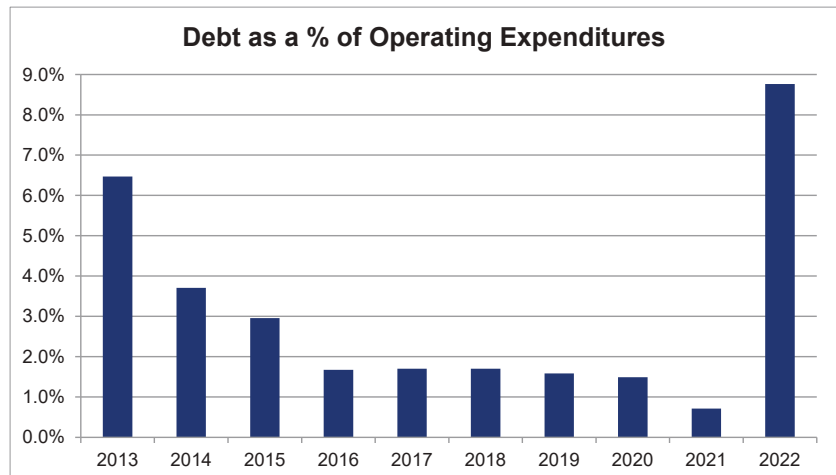


Source: City of Manhattan Beach Finance Department Historical ACFRs

**City of Manhattan Beach**  
**Changes in Fund Balances**  
**Governmental Funds, Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit A-6

	Fiscal Year Ending				
	2018	2019	2020	2021	2022
<b>Revenues</b>					
Tax and assessments	\$ 52,246,911	\$ 55,981,022	\$ 55,515,380	\$ 57,509,332	\$ 67,470,637
Licenses, fees, and permits	3,383,839	3,084,603	2,586,996	3,590,052	3,986,713
Intergovernmental	3,583,892	2,725,463	4,148,407	11,235,911	13,688,939
Charges for services	12,918,156	12,743,463	11,210,104	10,728,270	12,380,756
Interest and Rents	2,815,868	5,747,403	5,246,508	2,734,193	3,686,593
Fines and forfeitures	2,570,974	2,051,692	1,997,803	1,517,113	2,451,283
Net change fair value investments	(518,607)	1,062,513	18,496,956	597,218	(2,536,055)
Other revenues	2,417,724	69,816	941,260	807,381	2,292,463
<b>Total revenues</b>	<b>79,418,757</b>	<b>83,465,975</b>	<b>100,143,414</b>	<b>88,719,470</b>	<b>103,421,329</b>
<b>Expenditures</b>					
General government	14,018,117	15,581,223	14,304,120	24,214,335	14,975,284
Public Safety	39,685,053	42,890,892	43,739,598	109,709,901	41,806,108
Culture and recreation	8,873,425	9,350,246	7,827,704	11,013,760	7,546,214
Public works	8,206,580	9,966,290	16,831,713	28,014,195	16,238,824
<b>Total operating expenditures</b>	<b>70,783,175</b>	<b>77,788,651</b>	<b>82,703,135</b>	<b>172,952,191</b>	<b>80,566,430</b>
<b>Excess of revenue over expenditures</b>	<b>8,635,582</b>	<b>5,677,324</b>	<b>17,440,279</b>	<b>(84,232,721)</b>	<b>22,854,899</b>
Capital outlay	2,979,570	8,956,807	3,837,436	4,499,063	7,882,958
Debt service					
Interest	479,537	456,437	432,213	407,312	2,877,605
Principal	745,000	795,000	820,000	840,000	4,858,805
Fees	4,810	3,400	3,400	3,400	208,043
Cost of Issuance	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total Non Operating expenditures	4,208,917	10,211,644	5,093,049	5,749,775	15,827,411
<b>Excess of revenues over expenditures</b>	<b>4,426,665</b>	<b>(4,534,320)</b>	<b>12,347,230</b>	<b>(89,982,496)</b>	<b>7,027,488</b>
<b>Other financing sources (Uses)</b>					
Bonds issued	-	-	-	85,879,300	7,440,000
Premium on bonds issues	-	-	-	-	1,259,922
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	639,686	1,004,433	460,262	2,075,413	3,484,419
Transfers out	(2,042,423)	(2,752,403)	(494,783)	(1,653,782)	(5,135,479)
Other financing sources	-	-	-	-	-
Other financing uses	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,402,737)</b>	<b>(1,747,970)</b>	<b>(34,521)</b>	<b>86,300,931</b>	<b>7,048,862</b>
Prior Period Adjustment					
<b>Net change in fund balances</b>	<b>3,023,928</b>	<b>(6,282,290)</b>	<b>12,312,709</b>	<b>(3,681,565)</b>	<b>14,076,350</b>
<b>Debt - % of Operating Expenditures &amp; Debt</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>0.7%</b>	<b>8.8%</b>



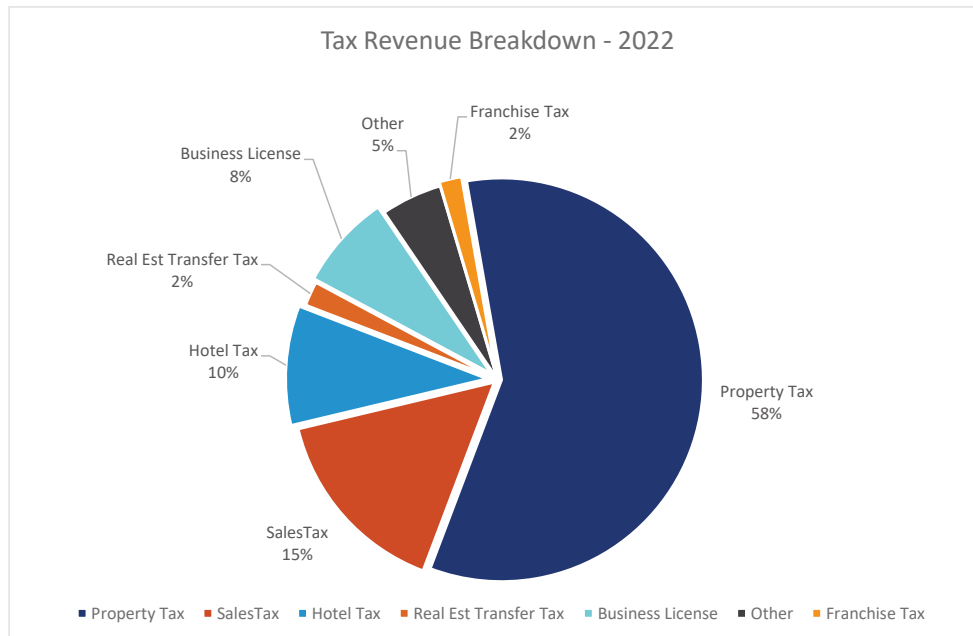
Source: City of Manhattan Beach Finance Department Historical ACFRs



**City of Manhattan Beach**  
**Taxes & Assessment Revenues by Source, Governmental Funds, and Assessment**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit A-7

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales &amp; Use</u>	<u>Hotel</u>	<u>Franchise</u>	<u>Real Est Transfer</u>	<u>Business License</u>	<u>Other Taxes Assessments</u>	<u>Total</u>
2022	\$ 39,491,986	\$ 10,473,355	\$ 6,464,049	\$ 1,217,755	\$ 1,333,170	\$ 5,175,626	\$ 3,314,696	\$ 67,470,637
2021	37,598,821	10,088,430	2,802,514	1,189,086	1,842,571	3,755,555	232,355	57,509,332
2020	34,002,016	8,407,953	4,203,026	1,167,345	828,842	3,652,228	3,253,970	55,515,380
2019	32,107,341	9,339,304	5,140,858	1,234,752	783,516	4,053,020	3,322,231	55,981,022
2018	30,318,225	8,970,809	4,429,080	1,262,037	788,203	3,718,418	2,760,140	52,246,911
2017	28,215,709	8,962,617	5,201,518	1,256,125	756,049	3,658,194	2,355,304	50,405,516
2016	26,344,276	9,348,605	5,139,425	1,439,957	792,829	3,475,792	2,367,941	48,908,825
2015	24,435,184	9,171,515	4,809,421	1,539,453	720,826	3,376,113	2,548,606	46,601,118
2014	23,353,743	9,135,806	4,289,009	1,441,769	642,718	3,140,273	2,210,029	44,213,347
2013	21,626,173	9,103,160	3,881,174	1,471,197	587,399	3,124,644	2,479,919	42,273,666
<b>Change 2013-2022</b>	82.6%	15.1%	66.5%	-17.2%	127.0%	65.6%	33.7%	59.6%



Source: City of Manhattan Beach Finance Department Historical ACFRs

**City of Manhattan Beach  
Assessed Value and Estimated Actual Value of Taxable Property,  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property</b>	<b>Total Assessed Value</b>
2013	11,115,348,658	873,633,618	273,166,539	782,689,333	13,044,838,148
2014	11,778,259,052	922,429,548	275,869,861	810,528,769	13,787,087,230
2015	12,500,544,975	959,518,199	281,151,363	791,941,297	14,533,155,834
2016	13,616,966,542	1,012,547,408	293,730,521	765,998,032	15,689,242,503
2017	14,551,610,225	1,105,261,590	298,209,901	824,621,493	16,779,703,209
2018	15,552,647,698	1,171,070,581	305,302,530	888,775,373	17,917,796,182
2019	16,543,536,695	1,199,124,711	311,408,568	950,206,556	19,004,276,530
2020	17,637,547,816	1,240,422,307	317,636,726	956,183,073	20,151,789,922
2021	18,698,835,090	1,320,682,796	495,751,708	1,049,831,342	21,565,100,936
2022	19,500,686,332	1,422,052,532	502,026,905	1,093,445,055	22,518,210,824

Exhibit A-8

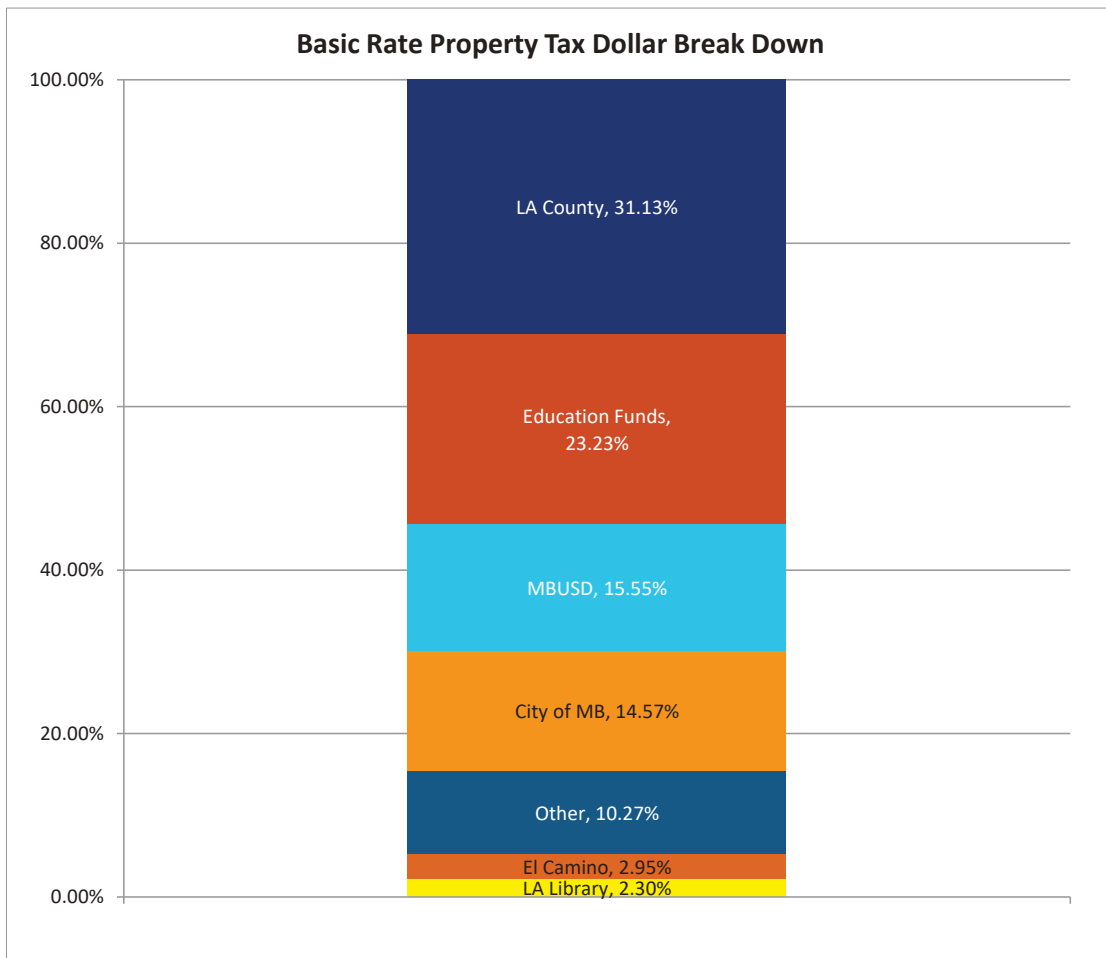
<b>Tax-Exempt Property</b>	<b>Total Direct Tax Rate</b>	<b>Net Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
301,114,939	0.15951%	12,713,329,765	102.608%
301,114,939	0.16012%	13,453,303,900	102.481%
301,114,939	0.16059%	14,196,903,333	102.368%
301,114,939	0.16127%	15,352,495,483	102.193%
301,127,715	0.16190%	16,442,347,904	102.052%
289,572,846	0.16250%	17,591,875,267	101.853%
289,572,846	0.16285%	18,676,191,358	101.757%
289,572,846	0.16329%	19,822,800,094	101.660%
289,572,846	0.16391%	21,235,867,296	101.550%
289,572,846	0.16428%	22,187,047,758	101.493%



**City of Manhattan Beach  
Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years**

**Exhibit A-9**

Fiscal Year	City Direct Rates		Overlapping Rates						
	General Levy (Basic Rate)	City Direct Rate	LA County	Colleges & School Districts	Metro Water District	Flood Control District	Total Overlap Rate	General Levy	Total Rate
2013	1.00000%	0.15951%	0.00000	0.07998	0.00350	0.00000	0.08348	1.00000	1.08348
2014	1.00000%	0.16012%	0.00000	0.08755	0.00350	0.00000	0.09105	1.00000	1.09105
2015	1.00000%	0.16059%	0.00000	0.08928	0.00350	0.00000	0.09278	1.00000	1.09278
2016	1.00000%	0.16127%	0.00000	0.08403	0.00350	0.00000	0.08753	1.00000	1.08753
2017	1.00000%	0.16190%	0.00000	0.09062	0.00350	0.00000	0.09412	1.00000	1.09412
2018	1.00000%	0.16250%	0.00000	0.11581	0.00350	0.00000	0.11931	1.00000	1.11931
2019	1.00000%	0.16285%	0.00000	0.11507	0.00350	0.00000	0.11857	1.00000	1.11857
2020	1.00000%	0.16329%	0.00000	0.11371	0.00350	0.00000	0.11721	1.00000	1.11721
2021	1.00000%	0.14561%	0.00000	0.11210	0.00350	0.00000	0.11560	1.00000	1.11560
2022	1.00000%	0.14566%	0.00000	0.11106	0.00350	0.00000	0.11456	1.00000	1.11456



Source: HDL Coren Cone

**City of Manhattan Beach  
Principal Property Tax Payers Based on Net Values,  
Current Year and Nine Years Ago**

**Exhibit A-10**

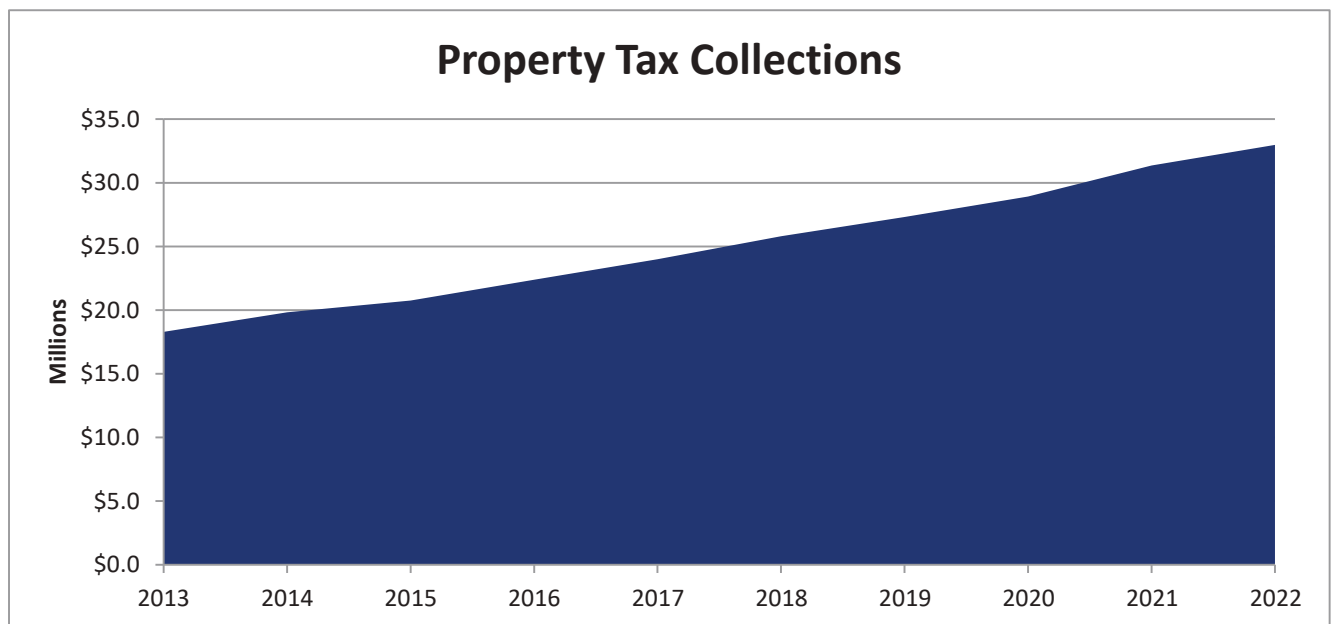
<u>Taxpayer</u>	<u>2022</u>			<u>2013</u>		
	<u>Net Value</u>	<u>Rank</u>	<u>Percentage of Total City Net Value</u>	<u>Net Value</u>	<u>Rank</u>	<u>Percentage of Total City Net Value</u>
MBS Media Campus LLC	\$ 345,099,586	1	1.56%	\$ -		
Northrop Grumman Systems Corp	309,337,654	2	1.39%	209,152,828	1	1.65%
Rreef America Reit II Corporation BBB	225,622,565	3	1.02%	160,724,706	2	1.26%
ONNI Manhattan Towers LP	121,583,814	4	0.55%	-		
Manhattan Beach Hotel Owner LLC	118,165,814	5	0.53%	-		
Skechers USA Inc.	66,337,099	6	0.30%	40,155,113	7	0.32%
WH Manhattan Beach LP	58,317,970	7	0.26%	-		
Coastal Market Plaza LLC	53,589,492	8	0.24%	-		
Bay Club Manhattan Beach LLC	47,769,376	9	0.22%	-		
1000 Cherry OCA LLC	43,916,375	10	0.20%	-		
CRP MB Studios LLC	-		-	138,000,000	3	1.09%
Parstem Realty Company Inc	-		-	66,855,425	4	0.53%
Host Marriott Corporation Insterstate	-		-	64,682,576	5	0.51%
1230 and 1240 Rosecrans H	-		-	58,700,000	6	0.46%
RIMB LLC	-		-	30,674,500	8	0.24%
St. Paul Properties	-		-	30,587,884	9	0.24%
Hughes Aircraft Employees FCU	-		-	27,965,671	10	0.22%
<b>Top Ten Total</b>	<b>\$ 1,389,739,745</b>		<b>6.26%</b>	<b>\$ 827,498,703</b>		<b>6.51%</b>
<b>City Total</b>	<b>\$ 22,187,047,758</b>			<b>\$ 12,713,329,765</b>		



**City of Manhattan Beach  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit A-11**

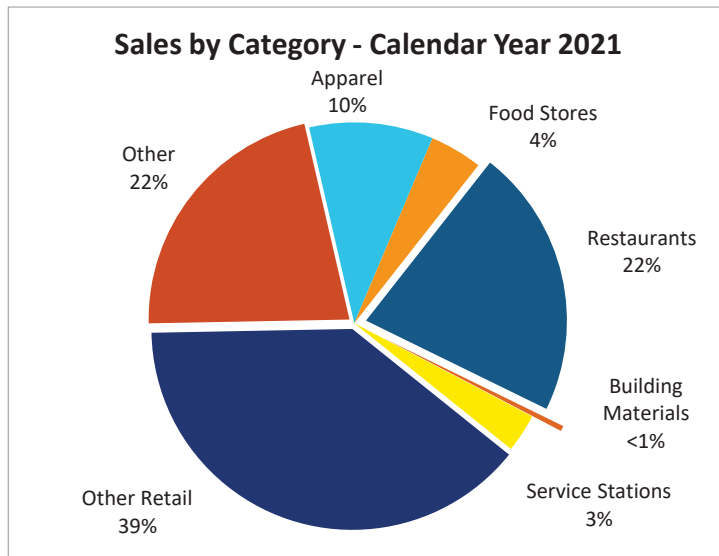
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Prior Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	18,294,098	17,716,515	96.84%	569,183	18,285,698	99.95%
2014	19,402,284	19,103,356	98.46%	725,598	19,828,955	102.20%
2015	20,507,194	19,991,754	97.49%	757,337	20,749,092	101.18%
2016	22,195,519	21,697,312	97.76%	682,877	22,380,189	100.83%
2017	23,822,585	23,386,545	98.17%	596,471	23,983,016	100.67%
2018	25,520,518	25,119,981	98.43%	675,026	25,795,007	101.08%
2019	27,138,821	26,656,342	98.22%	654,244	27,310,586	100.63%
2020	28,839,478	28,162,858	97.65%	745,930	28,908,788	100.24%
2021	30,949,109	30,333,626	98.01%	1,014,827	31,348,453	101.29%
2022	32,347,837	31,736,342	0.9810963	1,235,235	32,971,577	101.93%



Percent of levy may be over 100% since collections include current and prior years

**City of Manhattan Beach  
Taxable Sales by Category,  
Last Ten Calendar Years**  
*(in thousands of dollars)*

	<b>Calendar Year</b>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 73,110	\$ 73,708	\$ 73,809	\$ 75,919	\$ 74,515
General Merchandise	104,276	106,017	104,277	102,310	101,038
Food Stores	30,351	31,819	31,832	33,110	34,634
Eating and Drinking Establishments	172,168	180,221	189,227	200,840	202,915
Building Materials	2,262	2,424	2,734	2,605	2,623
Service Stations	41,752	43,169	42,789	37,000	31,670
Other Retail Stores	303,299	305,320	286,140	295,157	303,311
All Other Outlets	<u>247,112</u>	<u>252,074</u>	<u>261,863</u>	<u>176,347</u>	<u>154,628</u>
<b>Total</b>	<b><u>\$ 974,330</u></b>	<b><u>\$ 994,752</u></b>	<b><u>\$ 992,671</u></b>	<b><u>\$ 923,288</u></b>	<b><u>\$ 905,334</u></b>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%



\* Calendar Year Data available through December 2021.

**City of Manhattan Beach**  
**Taxable Sales by Category,**  
**Last Ten Calendar Years**  
*(in thousands of dollars)*

**Exhibit A-12**

	<b>Calendar Year</b>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Apparel Stores	\$ 77,995	\$ 78,622	\$ 78,443	\$ 65,209	\$ 94,918
General Merchandise	96,353	96,372	96,939	-	-
Food Stores	33,270	33,882	36,633	41,294	40,190
Eating and Drinking Establishments	202,646	205,363	206,532	139,108	205,943
Building Materials	2,829	4,122	4,083	3,760	4,089
Service Stations	32,992	36,706	36,052	18,438	29,299
Other Retail Stores	308,555	309,131	303,700	298,660	370,379
All Other Outlets	<u>148,764</u>	<u>161,173</u>	<u>184,773</u>	<u>194,393</u>	<u>206,306</u>
<b>Total</b>	<b><u>\$ 903,404</u></b>	<b><u>\$ 925,371</u></b>	<b><u>\$ 947,155</u></b>	<b><u>\$ 760,862</u></b>	<b><u>\$ 951,124</u></b>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%

\* Calendar Year Data available through December

**City of Manhattan Beach  
Direct and Overlapping Sales Tax Rates,  
Last Ten Fiscal Years**

**Exhibit A-13**

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>L.A. County</u>
2022	1.00%	.25%
2021	1.00%	.25%
2020	1.00%	.25%
2019	1.00%	.25%
2018	1.00%	.25%
2017	1.00%	.25%
2016	1.00%	.25%
2015	1.00%	.25%
2014	1.00%	.25%
2013	1.00%	.25%

Source: State of California Board of Equalization

**City of Manhattan Beach  
Principal Sales Tax Remitters,  
Fiscal Year Comparison**

**Exhibit A-14**

**Tax Remitter**

**2022**

---

Apple  
Arco AM PM  
BevMo  
Chevron  
Circle K  
CVS Pharmacy  
Joey Manhattan Beach  
Kettle  
Macy's  
Manhattan Beach Toyota Scion  
Marriott Manhattan Beach Hotel  
Nick's Manhattan Beach  
Old Navy  
Ralphs Fresh Fare  
REI  
Sephora  
Skechers by Mail  
Strand House Standbar  
Target  
The Arthur J  
Tin Roof Bistro  
Toyota Lease Trust  
Trader Joes  
Vuori  
Wrights

**2013**

---

Apple  
Arco  
Barnes & Noble  
BevMo  
Chevron  
Circle K  
CVS Pharmacy  
Dewitt Petroleum  
Frys Electronics  
Houston's  
Macys  
Manhattan Beach Marriott  
Manhattan Beach Toyota Scion  
Old Navy  
Olive Garden  
Power Pre Owned Auto Center of South Bay  
Ralphs Fresh Fare  
REI  
Sephora  
Skechers  
Strand House Standbar  
Target  
Tin Roof Bistro  
Trader Joes  
William Sonoma

\* Listed Alphabetically





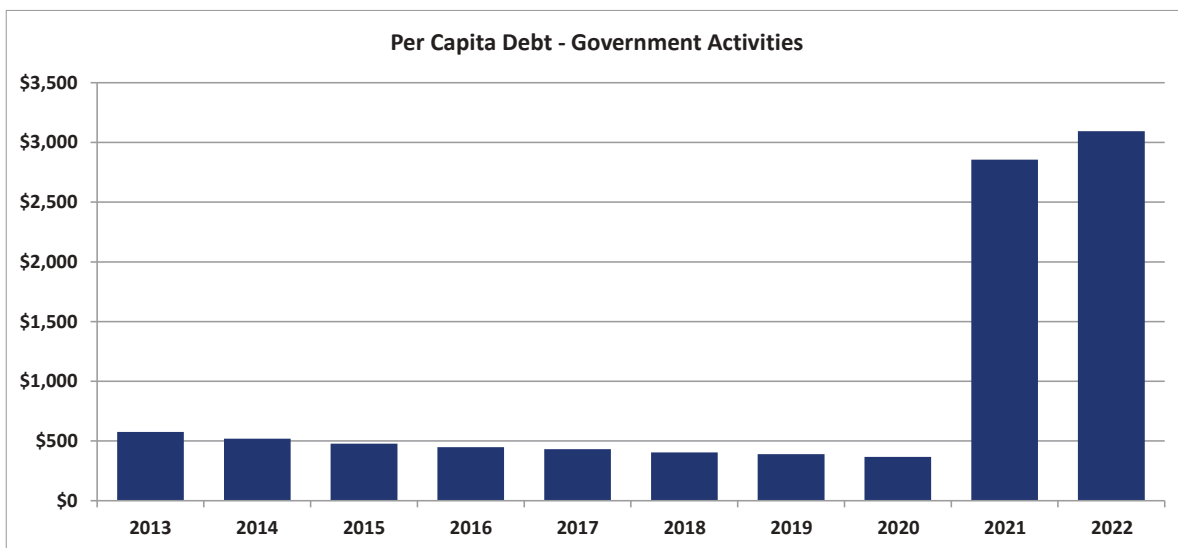
## **Statistical Section**

### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.*

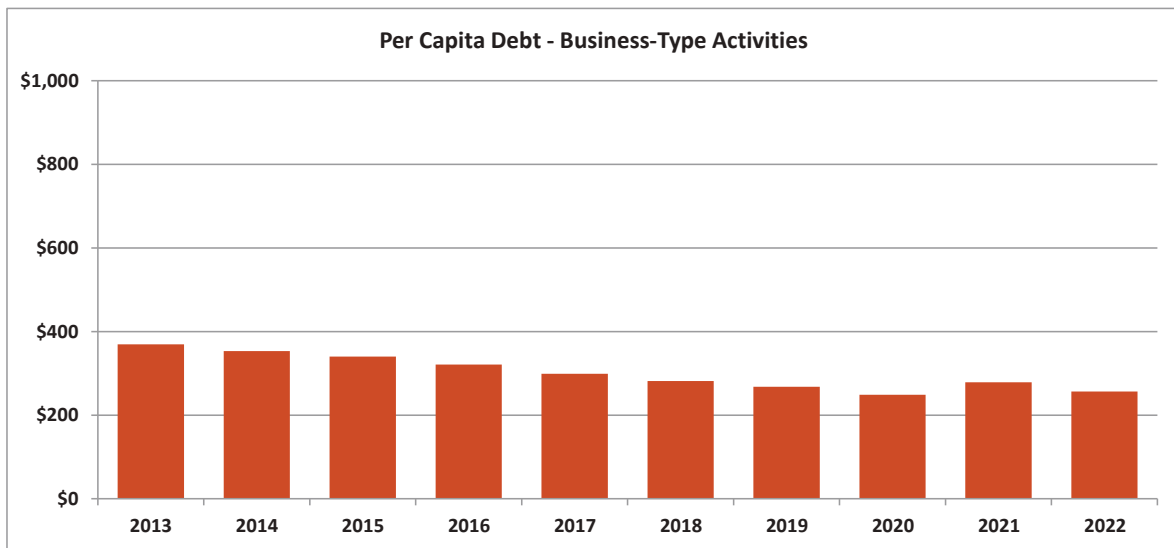
**City of Manhattan Beach  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years**

Governmental Activities									
Fiscal Year	RCC Facility	Pension Obligation Bonds	Marine Certificates of Participation	Marine Refunding Certificates of Participation	Fire Station Certificates of Participation	Police/Fire Refunding Bonds	Capital & Right to Use Leases	Total Governmental	Total Per Capita
2013	-	1,860,000	7,235,000	-	-	10,510,000	903,841	20,508,841	576
2014	-	765,000	6,980,000	-	-	10,030,000	719,342	18,494,342	519
2015	-	-	6,715,000	-	-	9,580,000	531,820	16,826,820	477
2016	-	-	6,445,000	-	-	9,125,000	341,224	15,911,224	448
2017	-	-	-	6,317,766	-	9,042,225	147,506	15,507,497	431
2018	-	-	-	6,026,968	-	8,535,865	-	14,562,833	405
2019	-	-	-	5,706,170	-	8,009,505	-	13,715,675	389
2020	-	-	-	5,375,372	-	7,468,144	-	12,843,516	366
2021	-	89,388,310	-	5,039,574	-	6,972,970	-	101,400,854	2,856
2022	-	86,288,700	-	4,693,774	8,552,926	6,340,422	2,090,304	107,966,126	3,093



Source: City of Manhattan Beach Finance Department Historical ACFRs Debt Schedules

Business-type Activities							Total		
Utility Revenue Bonds	Pension Obligation Bonds	Metlox Certificates of Participation	Utility Refunding Certificates of Participation	Metlox Refunding Certificates of Participation	Total Business Type	Total Per Capita	Total Primary Government	Percentage of Personal Income	Total Per Capita
-	-	-	2,860,695	10,290,752	13,151,447	369	33,660,288	1.14%	945
-	-	-	2,686,239	9,896,927	12,583,166	353	31,077,508	1.08%	872
-	-	-	2,506,784	9,498,103	12,004,887	340	28,831,707	0.99%	817
-	-	-	2,317,328	9,079,279	11,396,607	321	27,307,831	0.92%	769
-	-	-	2,117,872	8,645,454	10,763,326	299	26,270,823	0.85%	730
-	-	-	1,913,417	8,191,630	10,105,047	281	24,667,880	0.77%	687
-	-	-	1,703,962	7,727,805	9,431,767	268	23,147,442	0.72%	657
-	-	-	1,484,506	7,243,981	8,728,487	249	21,572,003	0.67%	615
-	1,886,690	-	1,260,050	6,750,157	9,896,897	279	111,297,751	3.47%	3,135
-	1,821,300	-	992,225	6,129,232	8,942,757	256	116,908,883	3.64%	3,350





City of Manhattan Beach  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2022

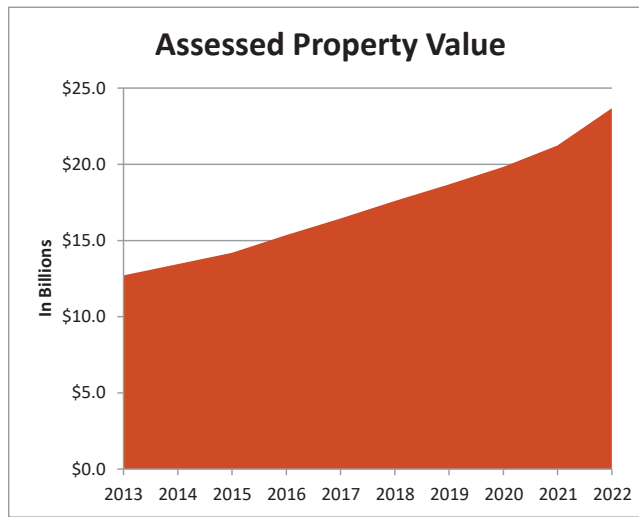
Exhibit A-16

<u>Governmental Unit</u>	<u>Gross Bonded Debt Balance</u>	<u>Percentage Applicable To City</u>	<u>Net Bonded Debt</u>
<b>Direct Debt</b>			
City of Manhattan Beach:			
Certificates of Participation Marine Avenue Park	\$ 4,693,774	100.000%	\$ 4,693,774
Refunding Certificates of Participation Police/Fire	6,340,422	100.000%	6,340,422
Fire Station Certificates of Participation	8,552,926	100.000%	8,552,926
Pension Obligation Bonds	86,288,700	100.000%	86,288,700
Obligation under Capital & Right to Use Leases	2,090,304	100.000%	2,090,304
<b>Total Direct Debt</b>			<b><u>107,966,126</u></b>
<b>Overlapping Debt</b>			
Manhattan Beach UNIF DS 1998 SER B	\$ 2,214,310	99.998%	2,214,270
Manhattan Beach USD DS 1999 SER C	1,880,376	99.998%	1,880,342
Manhattan Beach USD DS 2001 SER D	2,318,443	99.998%	2,318,401
Manhattan Beach USD DS 2010 SER A	3,111,426	99.998%	3,111,370
Manhattan Beach USD DS 1995 SER E	4,022,974	99.998%	4,022,902
Manhattan Beach USD DS 2000 SER B	1,306,456	99.998%	1,306,433
Manhattan Beach USD DS 2008, 2011 SER C	7,651,589	99.998%	7,651,451
Manhattan Beach USD DS 2008 2012 SER E	9,738,877	99.998%	9,738,702
Manhattan Beach USD DS 2008 2013 SER F	3,505,000	99.998%	3,504,937
Manhattan Beach USD DS 2016 SER A MEAS C	5,060,000	99.998%	5,059,909
Manhattan Beach USD DS 2016 SER A MEAS EE	8,140,000	99.998%	8,139,854
Manhattan Beach USD DS 2016 SER B MEAS C	128,770,000	99.998%	128,767,684
Metropolitan Water District	9,835,780	1.342%	132,045
El Camino CCS DS 2002 SER 2012C	138,337,927	16.920%	23,406,170
El Camino CCS DS 2012 REF BONDS	6,480,000	16.920%	1,096,388
El Camino CCD DS 2012 SER 2016 A	88,395,000	16.920%	14,956,046
El Camino CCS DS 2016 REF BONDS	58,925,000	16.920%	9,969,852
El Camino CCS DS 2012 SER 2018B	44,410,000	16.920%	7,513,977
El Camino CCS DS 2012 SER 2020C	46,250,000	16.920%	7,825,297
EL CAMINO CCD DS 2020 REF BONDS	39,755,000	16.920%	6,726,372
EL CAMINO CCD DS 2012 SERIES 2021D	60,000,000	16.920%	10,151,737
<b>Total Overlapping Debt</b>			<b><u>259,494,139</u></b>
<b>Total Direct and Overlapping Debt</b>			<b><u>\$ 367,460,265</u></b>

In this particular instance of overlapping debt, overlapping governments are those whose boundaries whole or in part contained within the boundaries of a District that is issuing debt. The percent of overlap is based on the ratio assessed value of the land of the government to that of total assessed valuation of all governments within that district. The Manhattan Beach Unified School District boundaries are contiguous with that of the City of Manhattan Beach

**City of Manhattan Beach  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

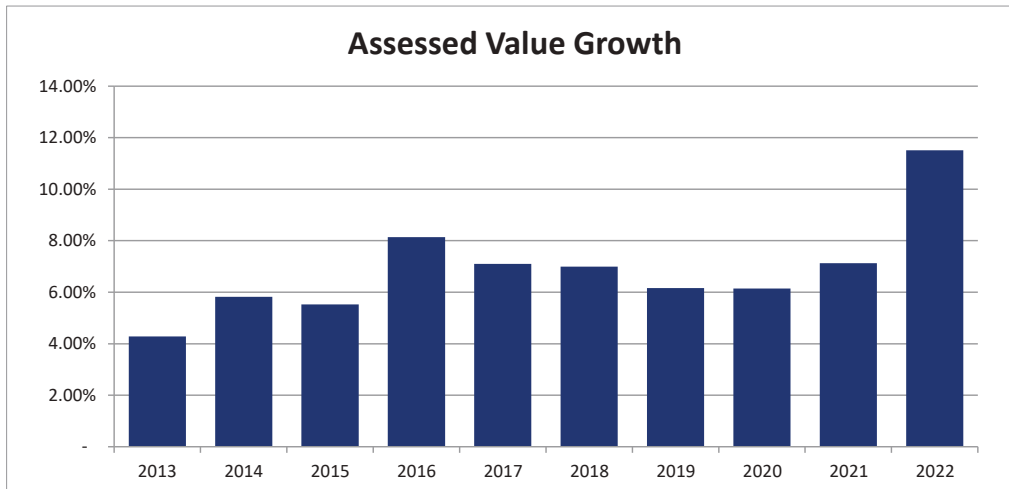
	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Assessed Value	\$ 12,713,329,765	\$ 13,453,303,900	\$ 14,196,903,333	\$ 15,352,495,483	\$ 16,442,347,904
Legal debt limit (3.75%)	476,749,866	504,498,896	532,383,875	575,718,581	616,588,046
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 476,749,866</u>	<u>\$ 504,498,896</u>	<u>\$ 532,383,875</u>	<u>\$ 575,718,581</u>	<u>\$ 616,588,046</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
Assessed Value Growth	4.29%	5.82%	5.53%	8.14%	22.22%



Source: HdL Coren & Cone

Fiscal Year				
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 17,591,875,267	\$ 18,676,191,358	\$ 19,822,822,094	\$ 21,235,867,296	\$ 22,187,047,758
659,695,323	700,357,176	743,355,829	796,345,024	832,014,291
-	-	-	-	-
<u>\$ 659,695,323</u>	<u>\$ 700,357,176</u>	<u>\$ 743,355,829</u>	<u>\$ 796,345,024</u>	<u>\$ 832,014,291</u>

0.00%	0.00%	0.00%	0.00%	0.00%
14.59%	6.16%	6.14%	7.13%	4.48%





**City of Statistical  
Pledged-Revenue Coverage,  
Last Ten Fiscal Years**

**Water - Wastewater Debt Service Principal and Interest**

Fiscal Year	Utility Service Charges	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
2013 (c)	18,322,360	10,105,431	8,216,929	85,000	93,150	46.12
2014	19,908,104	10,611,569	9,296,535	160,000	93,150	36.72
2015	19,674,895	10,082,087	9,592,808	165,000	89,950 (b)	37.63
2016	17,814,103	10,389,899	7,424,204	175,000	83,350 (b)	28.74
2017	17,977,445	11,279,607	6,697,838	185,000	76,350 (b)	25.63
2018	18,947,767	11,818,853	7,128,914	190,000	68,950 (b)	27.53
2019	18,889,006	12,947,329	5,941,677	195,000	63,250 (b)	23.01
2020	18,951,923	12,806,497	6,145,426	205,000	55,450 (b)	23.60
2021	19,311,412	14,706,241	4,605,171	210,000	49,299 (b)	17.76
2022	19,037,166	13,525,873	5,511,293	220,000	43,000 (b)	20.96

*(a) Operating Expense less depreciation expense*

*(b) Interest "expense" for this purpose reflects Footnote 6 Debt Service Requirements as presented in prior years' ACFRs and is presented on a cash basis*

*(c) Refunding bonds - please refer to footnotes regarding bond refunding*

## Parking Debt Service Principal and Interest

Parking Fund Revenue	(a) Less: Operating Expenses	Net Available Revenue	Debt Service		Times Coverage
			Principal	Interest	
2,305,348	1,326,796	978,552	360,000	342,475	1.39
2,432,958	1,356,782	1,076,176	370,000	348,762	1.50
2,566,403	1,505,208	1,061,195	375,000	341,363 (b)	1.48
2,533,935	1,676,685	857,250	395,000	326,362 (b)	1.19
2,460,627	1,687,183	773,444	410,000	310,563 (b)	1.07
2,525,275	1,813,828	711,447	430,000	294,163 (b)	0.98
3,038,490	1,723,456	1,315,034	440,000	278,263 (b)	1.83
2,953,440	1,834,508	1,118,932	460,000	260,663 (b)	1.55
3,261,909	2,647,308	614,601	470,000	246,863 (b)	0.86
4,553,765	2,335,845	2,217,920	490,000	232,763 (b)	3.07

Source: City of Manhattan Beach Finance Department and Historical ACFRs



## **Statistical Section**

### **Demographic and Economic Information**

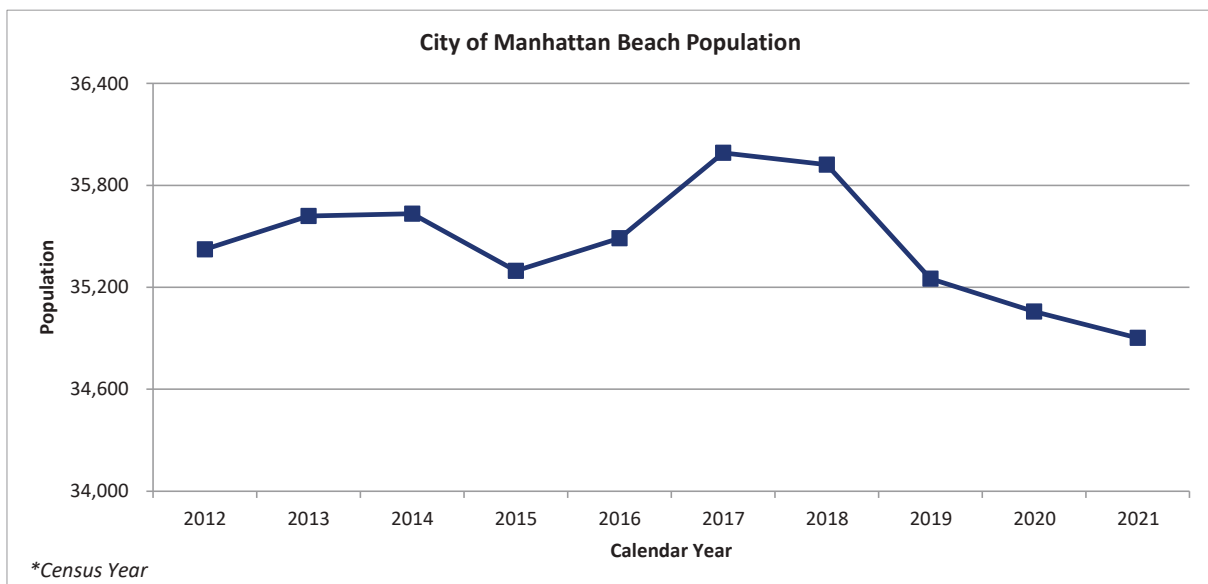
*These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.*

**City of Manhattan Beach  
Demographic and Economic Statistics,  
Last Ten Calendar Years**

**Exhibit A-19**

Calendar Year	Population	Man Beach Personal Income (in thousands)	Personal Income L.A. County <sup>1</sup> (in thousands)	Per Capita Personal Income L.A. County <sup>1</sup>	Per Capita Personal Income Man Beach	Unempl Rate	School Enrollment
2012	35,423	2,850,383	435,300,000	43,916	80,467	3.2%	6,768
2013	35,619	2,945,228	451,100,000	45,024	82,687	2.6%	6,814
2014	35,633	2,864,394	487,900,000	48,456	80,386	3.4%	6,787
2015	35,297	2,906,208	521,900,000	51,207	82,335	2.7%	6,687
2016	35,488	2,969,983	557,382,000	54,432	83,689	2.1%	6,682
2017	35,991	3,102,178	585,515,000	56,698	86,192	2.6%	6,776
2018	35,922	3,208,080	628,809,000	62,221	89,306	3.4%	6,647
2019	35,250	3,330,194	658,900,000	64,700	94,473	3.2%	6,524
2020	35,058	3,420,177	708,700,000	69,919	97,557	7.3%	6,030
2021	34,902	3,288,263	769,100,000	76,573	94,213	5.2%	5,852

Source: HdL Companies, County of Los Angeles Comprehensive Annual Financial Report  
<sup>1</sup> Represents fiscal year ended June 30th.



**City of Manhattan Beach  
Principal Employers  
Current Year and Nine Years Ago**

**Exhibit A-20**

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Northrop Grumman Systems Corp.	2362	1	24.08%	1865	1	15.55%
Manhattan Beach Unified School District <sup>1</sup>	704	2	7.18%	-	-	-
Kinecta Federal Credit Union	550	3	5.61%	550	2	4.59%
Target Stores T199 Target Corp	405	4	4.13%	405	3	3.38%
City of Manhattan Beach	305	5	3.11%	271	5	2.26%
Manhattan Beach Hotel TRS LLC <sup>1</sup>	233	6	2.38%	-	-	-
Ralphs Grocery Company #166	167	7	1.70%	167	10	1.39%
Skechers U.S.A., Inc. (Corporate)	148	8	1.51%	356	4	2.97%
Bristol Farms <sup>1</sup>	129	9	1.32%	-	-	-
Olive Garden <sup>1</sup>	117	10	1.19%	-	-	-
Skechers U.S.A., Inc. (Online)	-	-	-	170	9	1.42%
Macy's West LLC	-	-	-	271	6	2.26%
Fry's Electronics	-	-	-	264	7	2.20%
Marriott- HMC Interstate	-	-	-	233	8	1.94%
<b>Total</b>	<b>5,120</b>		<b>52.20%</b>	<b>5,979</b>		<b>37.95%</b>

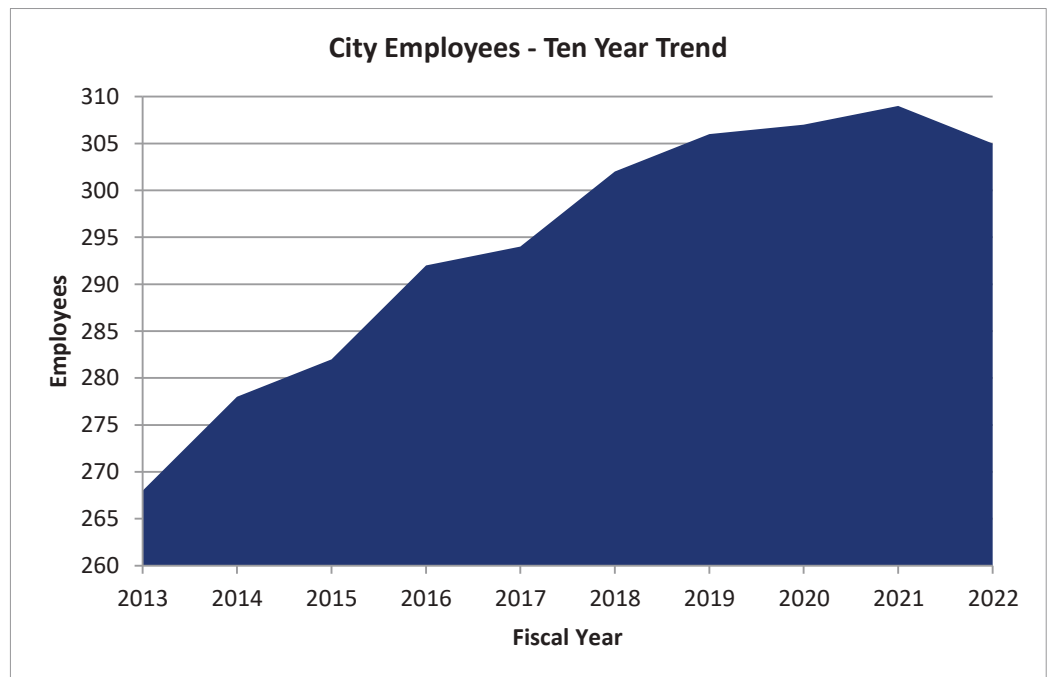
<sup>1</sup>No data available or collected for fiscal year 2013.



**City of Manhattan Beach  
Full-time Authorized City Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit A-21**

<u>Function/Program</u>	<u>Full-time Authorized Employees as of June 30</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government										
Management services	12	13	13	17	17	17	15	15	14	16
Finance*	20	25	25	17	17	17	18	18	19	18
Information Technology*	-	-	-	9	9	9	9	9	9	9
Human Resources	6	6	6	8	8	8	8	8	8	8
Community Development	20	21	22	24	24	28	30	30	30	31
Parks and Recreation	20	21	23	25	25	25	25	25	25	21
Police										
Officers	65	65	65	65	65	65	65	65	65	65
Civilians	36	39.8	39.8	39.8	41.8	41.8	42.8	42.8	43.8	40.8
Fire										
Firefighters & officers	30	30	31	30	30	30	30	30	30	30
Civilians	1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	2.2
Public works										
Engineering	8.2	7.25	7.25	7.5	8.5	11	12.5	13.5	13.5	13.5
Water	11.7	11.2	11.2	11.2	11.35	10.85	10.8	10.8	11.8	11.5
Wastewater	3.3	3.2	3.2	3.2	3.45	3	3.9	3.9	3.9	4.1
Other	34.8	34.35	34.35	34.1	32.7	35.15	34.8	34.8	34.8	34.9
<b>Total</b>	<b><u>268</u></b>	<b><u>278</u></b>	<b><u>282</u></b>	<b><u>292</u></b>	<b><u>294</u></b>	<b><u>302</u></b>	<b><u>306</u></b>	<b><u>307</u></b>	<b><u>309</u></b>	<b><u>305</u></b>



Source: City of Manhattan Beach Finance Department



**CITY OF MANHATTAN BEACH**  
**SCHEDULE OF INSURANCE IN FORCE**

June 30, 2022

<u>TYPE OF COVERAGE</u>	<u>POLICY NUMBER</u>	<u>FROM</u>
<b>Liability</b> Self-Insured	NA	07/01/22
<b>Excess Liability</b> Public Risk Innovation, Solutions, and Management (PRISM) General Liability 1 Program (GL1)	PRISM-PE 22 EL-109	07/01/22
<b>Building &amp; Property (All Risk, Flood, Earthquake, &amp; \$100M Boiler and Machinery)</b> Public Risk Innovation, Solutions and Management (PRISM)	PRISMPR22-23	03/31/22
<b>Workers' Comp.</b> Self-Insured	NA	07/01/22
<b>Excess Workers' Comp.</b> Public Risk Innovation, Solutions, and Management (PRISM) Reinsured by Great American Reinsured by ACE American Insurance Company Liberty Insurance Corporation	PRISM-PE 22 EWC-153 PRISM-PE 21 EWC-153 EW7-64N-444785-012	07/01/22 07/01/22 07/01/22
<b>Government Crime Policy</b> PRISM Master Crime Program National Union Fire Insurance Company of Pittsburg, PA Berkely Insurance	01-468-30-06 BGOV-45003949-22	06/30/22
<b>Cyber Risk</b> Beazley Syndicate/Lloyd's of London Excess Cyber	FN2233951 various	07/01/22
<b>Deadly Weapons Response</b> Lloyd's of London	PJ20000500079	07/01/22

**CITY OF MANHATTAN BEACH**  
**SCHEDULE OF INSURANCE IN FORCE**  
**June 30, 2022**

<u>TO</u>	<u>LIMITS OF COVERAGE</u>	<u>ANNUAL PREMIUM</u>
07/01/23	\$500,000 per occurrence	\$0
07/01/23	\$25,000,000 inclusive of self-insured retention	\$898,447
03/31/23	Various Limits and Sub-Limits	\$478,010
07/01/23	\$750,000 per occurrence	\$0
		\$286,992
07/01/23	\$4,250,000 excess of \$750,000	
07/01/23	\$45,000,000 excess of \$5,000,000	
07/01/23	Statutory limits excess of \$50,000,000	
06/30/22	\$10,000,000 5,000,000 excess of \$10,000,000	\$8,764
07/01/23	\$2,000,000 various limits/sub-limits	\$20,258 NA
07/01/23	\$500,000	\$7,345

**City of Manhattan Beach  
Operating Indicators by Function/Program,  
Last Ten Fiscal Years**

**Exhibit A-23**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government										
Building permits issued	1,339	1,673	1,847	1,853	1,223	1,644	1,353	1,595	2,312	2,174
Building inspections conducted	11,165	13,370	14,708	14,630	14,796	16,032	15,272	14,441	15,650	15,864
Police										
Arrests	1,173	1,367	1,383	1,590	1,371	1,095	1,019	795	650	607
Parking citations	63,624	61,651	63,423	66,255	64,105	57,624	47,422	41,133	44,613	58,625
Traffic citations	6,890	6,339	4,222	4,723	3,682	4,209	2,449	2,062	970	1,261
Fire (a)										
Emergency responses	3,176	3,379	3,434	3,690	3,760	3,637	3,653	3,642	3,439	3,771
Fires extinguished	95	76	56	63	76	87	87	88	73	81
Inspections	933	1,078	536	852	697	688	1,421	749	426	444
Refuse collection										
Refuse collected (tons per day)	43.55	42.05	49.48	52.72	53.31	51.01	54	53	57	44
Recyclables collected (tons per day)	48.16	50.19	53.05	47.7	41.55	34.66	35	28	33	52
Other public works										
Street resurfacing (miles)	-	1.0	3.0	1.0	0.7	2.9	4.0	1.3	3.8	2.6
Parks and recreation										
Athletic field permits issued	7,002	7,779	10,369	9,912	10,328	8,499	6,815	6,515	118	5,413
Community center admissions*	89,134	107,632	76,860	52,424	63,083	64,592	52,505	39,379	15,752	38,203
Water										
Water main breaks	4	6	7	4	9	8	7	7	7	3
Average daily consumption (thousands of gallons)	5,123	4,929	4,468	4,021	4,130	4,392	4,257	4,312	4,442	4,209
Peak daily consumption (thousands of gallons)	6,989	7,169	5,344	5,344	6,190	5,735	7,266	6,086	5,734	5,718
Transportation										
Total route miles	38,995	41,680	44,067	46,175	40,961	42,535	49,639	34,824	15,507	30,745
Passengers	16,039	17,059	20,065	22,067	26,810	25,963	26,223	16,750	4,275	6,267

(a) Represents calendar year data.

\* The Community Centers underwent a full renovation. Both centers were fully operational by January 2013.

City of Statistical  
 Capital Asset Statistics by Function/Program,  
 Last Ten Fiscal Years

Exhibit A-24

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	23	23	23	23	23	23
Fire stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	108	108	108	108	108	108	108	108	108	108
Highways (miles)	10	10	10	10	10	10	10	10	10	10
Parks and recreation										
Acreage	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88	80.88
Baseball/softball diamonds	13	18*	18*	18*	18*	18*	18*	18*	18*	13
Soccer/football fields	15	19*	19*	19*	19*	19*	19*	19*	19*	13
Community centers	2	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	106	106	106	106	106	106	106	106	140	140
Fire hydrants	774	774	774	774	774	774	775	775	775	826
Storage capacity (1000s Gallons)	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	10,300	1,856°
Wastewater										
Sanitary sewers (miles)	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0
Storm sewers (miles)	25.0	25.0	25.0	25.0	25.0	25.0	21.0	21.0	21.0	21.0
Transportation—minibuses	4	4	4	4	5	5	5	4	5	5

\* Includes fields available through a Joint Use Agreement with Manhattan Beach Unified School District

° Storage capacity temporarily reduced with Peck Reservoir offline and under construction

**CITY OF MANHATTAN BEACH**  
**DEMOGRAPHIC STATISTICAL DATA**  
**Official Results from the 2020 US Census**

**Population distribution by ethnic group (one race):**

	<u>Number of Persons</u>	<u>Percent</u>
White	27,766	78%
Asian	4,787	14%
Black or African American	191	1%
American Indian and Alaska Native	79	0%
Other	2,750	8%
	<u>35,500</u>	<u>100%</u>

**Household Type:**

	<u>Number of Persons</u>	<u>Percent</u>
Family:		
Married couple	7,931	59%
Female head	891	7%
Male head	759	6%
Nonfamily	3,846	29%
	<u>13,427</u>	<u>100%</u>

**Population distribution by age group:**

	<u>Number of Persons</u>	<u>Percent</u>
Under 5 years	2,107	6%
5-14	5,511	16%
15-24	3,180	9%
25-44	7,665	22%
45-59	8,715	25%
60-64	2,312	7%
65 and over	6,010	17%
	<u>35,500</u>	<u>100%</u>

**Population distribution by gender:**

	<u>Number of Persons</u>	<u>Percent</u>
Male	17,155	48%
Female	18,345	52%
	<u>35,500</u>	<u>100%</u>

# BOND DISCLOSURE





## **Bond Disclosure Section**

### **Continuing Disclosure Requirements**

*The following section provides information to fulfill the City's bond continuing disclosure requirements of material events, delinquencies, and other financial data not otherwise contained in the audited financial reports.*





## **Continuing Disclosure Requirements**

This section is provided in accordance with the Continuing Disclosure requirements, as set forth in the offering statements of the following debt issues:

- Metlox and Water/Wastewater Refunding Certificates of Participation, Series 2021
- Fire Station #2 Certificates of Participation, Series 2021
- Pension Obligation Bonds, Series 2021
- Assessment District No. 19-4 Limited Obligation Improvement Bonds, Series 2020 A
- Assessment District No. 19-12 Limited Obligation Improvement Bonds, Series 2019 A
- Assessment District No. 19-14 Limited Obligation Improvement Bonds, Series 2019 A
- Reassessment District Limited Obligation Refunding Bonds, Series 2018
- Marine Refunding Certificates of Participation, Series 2016
- Police and Fire Facility Refunding Certificates of Participation, Series 2013

The required Annual Report is contained herein as the Audited Financial Statements.

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### **Reporting of Events with Respect to Debt Issuance during Fiscal Year 2021-22**

In FY 2021-2022, the City issued new Certificates of Participation (COPs) for the reconstruction of Fire Station #2 and refinanced COPs previously issued in 2012 for the Metlox parking structure and Water/Wastewater projects.

Debt service on these bond issues is included in the City's FY 2021-2022 ACFR.

---

**Information relating to Reassessment District Bonds, Series 2018, for Fiscal Year 2021-22**

Principal Amount Outstanding	\$2,925,000
Balances as of June 30, 2022:	
Improvement Fund	\$12,065
Debt Service Reserve Fund	\$499,578

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

**Taxes Levied and Delinquent for Fiscal Year 2021-22**

*As of June 30, 2022*

**Total Parcels**                      **711**

**Taxes Levied in FY 2021-22**                      **\$ 715,858.60**  
**Total Paid**    **703,098.96**  
**Delinquencies**    **\$ 12,759.64**

**Prior Year Delinquencies**                      **\$ 10,405.01**

<b>PARCEL</b>	<b>ROLL YEAR</b>	<b>TAX LEVIED</b>	<b>TAX PAID</b>	<b>Delinquent</b>
4169003001	2022	2,544.13	-	2,544.13
4169008005	2022	1,746.20	873.10	873.10
4175022004	2022	515.11	257.55	257.56
4175023024	2022	719.30	359.65	359.65
4175028003	2022	881.96	-	881.96
4176016019	2022	421.74	-	421.74
4177025013	2022	657.18	295.73	361.45
4178011007	2022	1,400.37	-	1,400.37
4169008004	2022	2,012.18	1,006.09	1,006.09
4170040015	2022	1,746.20	1,715.42	30.78
4175023023	2022	421.74	-	421.74
4175025034	2022	269.75	-	269.75
4175029007	2022	719.30	-	719.30
4178010019	2022	1,400.37	630.14	770.23
4178011008	2022	1,400.37	-	1,400.37
4178013081	2022	1,041.42	-	1,041.42
4169003001	2021	2,544.13	-	2,544.13
4169003001	2020	2,609.15	-	2,609.15
4169009012	2020	758.87	-	758.87
4169009013	2020	758.87	-	758.87
4175029007	2020	661.36	-	661.36
4169009012	2019	1,523.86	-	1,523.86
4169009013	2019	1,523.86	-	1,523.86
4176025034	2019	24.91	-	24.91
<b>TOTAL DELIQUENCIES</b>				<b>\$23,164.65</b>

*# of Parcels Delinquent for FY 2021-22*                      *17*  
*% of FY 2021-22 Levy Delinquent*                      *2.1%*

**Information relating to Assessment District Bonds 19-12, Series 2019, for Fiscal Year 2021-22**

Principal Amount Outstanding	\$4,420,000
Balances as of June 30, 2022:	
Improvement Fund	\$45,699
Debt Service Reserve Fund	\$149,858

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

**Taxes Levied and Delinquent for Fiscal Year 2021-22**

*As of June 30, 2022*

**Total Parcels**                      **162**

**Taxes Levied in FY 2021-22**                      **\$ 299,903.40**

**Total Paid**    **297,127.85**

**Delinquencies**                                        **\$ 2,775.55**

**Prior Year Delinquencies**                      **\$ 2,775.52**

<b>PARCEL</b>	<b>ROLL YEAR</b>	<b>TAX LEVIED</b>	<b>TAX PAID</b>	<b>Delinquent</b>
4137005060	2022	1,946.97	1,849.31	97.66
4137007037	2022	1,783.92	891.96	891.96
4137008018	2022	1,786.73	893.36	893.37
4137007089	2022	1,785.12	892.56	892.56
4137005060	2021	97.65	-	97.65
4137007037	2021	891.95	-	891.95
4137007089	2021	892.56	-	892.56
4137008018	2021	893.36	-	893.36
<b>TOTAL DELIQUENCIES</b>				<b>\$5,551.07</b>

*# of Parcels Delinquent for FY 2021-22*                      **4**

*% of FY 2021-22 Levy Delinquent*                      **0.9%**

**Information relating to Assessment District Bonds 19-14, Series 2019, for Fiscal Year 2020-21**

Principal Amount Outstanding	\$4,590,000
Balances as of June 30, 2021:	
Improvement Fund	\$51,499
Debt Service Reserve Fund	\$155,987

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

**Taxes Levied and Delinquent for Fiscal Year 2021-22**

*As of June 30, 2022*

**Total Parcels**                      **177**

<b>Taxes Levied in FY 2021-22</b>	<b>\$ 308,459.94</b>
<b>Total Paid</b>	<b>305,526.91</b>
<b>Delinquencies</b>	<b>\$ 2,933.03</b>

**Prior Year Delinquencies**                      **\$ 2,933.00**

<b>PARCEL</b>	<b>ROLL YEAR</b>	<b>TAX LEVIED</b>	<b>TAX PAID</b>	<b>Delinquent</b>
4137008043	2022	1,640.54	820.27	820.27
4137012096	2022	1,642.92	821.46	821.46
4137009001	2022	2,582.60	1,291.30	1,291.30
4137008043	2021	820.26	0.00	820.26
4137009001	2021	1,291.29	0.00	1,291.29
4137012096	2021	821.45	0.00	821.45
<b>TOTAL DELIQUENCIES</b>				<b>\$5,866.03</b>

<i># of Parcels Delinquent for FY 2021-22</i>	<b>3</b>
<i>% of FY 2021-22 Levy Delinquent</i>	<b>1.0%</b>

**Information relating to Assessment District Bonds 19-4, Series 2020, for Fiscal Year 2020-21**

Principal Amount Outstanding	\$5,030,000
Balances as of June 30, 2021:	
Improvement Fund	\$34,434
Debt Service Reserve Fund	\$169,300

The balance in the Debt Service Reserve Fund exceeds the reserve requirement.

**Taxes Levied and Delinquent for Fiscal Year 2021-22**

*As of June 30, 2022*

**Total Parcels**                      **124**

<b>Taxes Levied in FY 2021-21</b>	<b>\$ 326,518.82</b>
<b>Total Paid</b>	<b>318,798.25</b>
<b>Delinquencies</b>	<b>\$ 7,720.57</b>

**Prior Year Delinquencies**                      **\$ 7,720.55**

<b>PARCEL</b>	<b>ROLL YEAR</b>	<b>TAX LEVIED</b>	<b>TAX PAID</b>	<b>Delinquent</b>
4169019002	2022	2,618.45	-	2,618.45
4169015017	2022	3,038.33	1,519.16	1,519.17
4169023009	2022	2,315.87	-	2,315.87
4169026003	2022	2,534.15	1,267.07	1,267.08
4169015017	2021	1,519.16	-	1,519.16
4169019002	2021	2,618.45	-	2,618.45
4169023009	2021	2,315.87	-	2,315.87
4169026003	2021	1,267.07	-	1,267.07
<b>TOTAL DELIQUENCIES</b>				<b>\$15,441.12</b>

<i># of Parcels Delinquent for FY 2021-22</i>	<b>4</b>
<i>% of FY 2021-22 Levy Delinquent</i>	<b>2.4%</b>

**Update of Financial Tables (Not Otherwise Contained in the Audited Financial Statements)**

As required by the offering statements for the Series 2021 Refunding, 2021 Fire Station No. 2, 2021 Pension Obligation Bonds, 2016 and 2013 debt issues.

**Investment Portfolio Summary**

As of June 30, 2022

<b>Type of Investment</b>	<b>Market Value</b>
Cash	\$8,271,097
Local Government Fund	47,382,020
US Treasury & Agency Notes	70,273,330
Medium-Term Notes	12,647,910
Funds Held by Fiscal Agent	4,251,580
Petty Cash	2,022
<b>Total</b>	<b>\$142,827,959</b>

**Unrepresented Unit and Employee Associations**

As of June 30, 2022

<b>Employee Unit</b>	<b>No. Full-Time Employees*</b>	<b>Percent of Workforce</b>
Manhattan Beach Fire Association	26	8.3%
Manhattan Beach Police Officers' Association	57	18.3%
Manhattan Beach Police Management Association	7	2.2%
Miscellaneous Unit - Teamsters Local 911	139	44.6%
Manhattan Beach Mid-Managers Employee Association	53	17.0%
Management/Confidential (not represented)	30	9.6%
<b>Total</b>	<b>312</b>	<b>100.0%</b>

\* As Budgeted. Excludes elected officials.

**Historical and Projected Payments to PERS**

Fiscal Year Ended June 30,

	<b><u>2021*</u></b>	<b><u>2022</u></b>	<b><u>2023 (Estimated)</u></b>
<b>Police</b>			
Employee	\$1,091,691	\$1,072,825	\$1,005,275
Employer	46,911,464	1,829,123	2,148,776
Subtotal	48,003,155	3,155,101	3,154,051
<b>Fire</b>			
Employee	\$539,502	\$564,814	\$529,828
Employer	21,877,491	984,670	1,007,997
Subtotal	22,416,993	1,597,561	1,537,825
<b>Misc</b>			
Employee	\$1,221,230	\$1,252,103	\$1,293,962
Employer	31,972,316	1,645,419	1,839,274
Subtotal	33,193,546	2,970,294	3,133,236
<b>Total</b>	<b>\$103,613,693</b>	<b>\$7,722,956</b>	<b>\$7,825,112</b>

\*The large payments to CalPERS in FY 2021 are due to the issuance of pension obligation bonds.

**Funding History – Classic Police Plan**

<u>Valuation Date</u>	<u>Accrued Liability</u>	Share of Pool's Market <u>Value of Assets</u>	Plan's Share of Pool's <u>Unfunded Liability</u>	<u>Funded Ratio</u>	Annual <u>Covered Payroll</u>
6/30/2021	150,721,451	174,751,330	(24,029,879)	115.9%	6,827,606

**Funding History – PEPRA Police Plan**

<u>Valuation Date</u>	<u>Accrued Liability</u>	Share of Pool's Market <u>Value of Assets</u>	Plan's Share of Pool's <u>Unfunded Liability</u>	<u>Funded Ratio</u>	Annual <u>Covered Payroll</u>
6/30/2021	1,529,219	1,773,026	(243,807)	115.9%	1,977,445

**Funding History – Classic Fire Plan**

<u>Valuation Date</u>	<u>Accrued Liability</u>	Share of Pool's Market <u>Value of Assets</u>	Plan's Share of Pool's <u>Unfunded Liability</u>	<u>Funded Ratio</u>	Annual <u>Covered Payroll</u>
6/30/2021	74,496,392	85,680,210	(11,183,818)	115.0%	4,470,405

**Funding History – PEPRA Fire Plan**

<u>Valuation Date</u>	<u>Accrued Liability</u>	Share of Pool's Market <u>Value of Assets</u>	Plan's Share of Pool's <u>Unfunded Liability</u>	<u>Funded Ratio</u>	Annual <u>Covered Payroll</u>
6/30/2021	179,511	206,460	(26,949)	115.0%	375,809

**Funding History – Miscellaneous Plan**

<u>Valuation Date</u>	<u>Accrued Liability (AL)</u>	Market <u>Value of Assets (MVA)</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>	Annual <u>Covered Payroll</u>
6/30/2021	127,485,419	143,889,716	(16,404,297)	112.9%	17,630,265

**Additional Information**

The City maintains AAA general obligation ratings from both Moody's and Standard and Poor's. Standard & Poor's last reaffirmed the City's AAA Credit Rating on July 20, 2021.







CITY OF MANHATTAN BEACH  
1400 HIGHLAND AVENUE, MANHATTAN BEACH, CA 90266



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council  
City of Manhattan beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manhattan Beach, California (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 11, 2023.

#### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Brea, California  
January 11, 2023



January 11, 2023

To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manhattan Beach, California (the City) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 24, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Significant Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 5 to the financial statements, the City changed its accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Net Position. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were management's estimates of its net pension liability/asset and net other post-employment benefits asset based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability/asset and net other post-employment benefits asset in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Significant or Unusual Transactions***

Management is responsible for the policies and practices used to account for significant or unusual transactions. During the fiscal year, the City defeased the 2012 Metlox and Water/Wastewater refunding Certificates of Participation with the issuance of the Refunding Certificates of Participation Series 2021 resulting in a net present value saving of \$746,043.



To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated January 11, 2023.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the significant events or transactions that occurred during the year, business conditions affecting the City and business plans and strategies that may affect the risks of material misstatements, the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis; the budgetary comparison schedule for the General Fund, the schedules of changes in net pension liability and related ratios, the schedule of investment returns, the schedule of proportionate share of the net pension liability, the schedules of employer plan contributions, and the schedule of changes in net OPEB liability and related ratios, and the schedule of contributions, as listed in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

We were engaged to report on the combining and individual fund financial statements and schedules (supplementary information), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section (other information), which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2021-2022 audit:

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Fiscal year 2024

GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Fiscal year 2025

GASB Statement No. 101, *Compensated Absences*.



To the Honorable Mayor and Members of the City Council  
City of Manhattan Beach, California

**Restriction on Use**

This information is intended solely for the use of the members of the City Council and management of the City of Manhattan Beach and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Lance, Soll & Lughard, LLP*

Brea, California





**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Rachel Johnson, Chief of Police  
Christian Eichenlaub, Police Captain  
Julie Dahlgren, Senior Management Analyst

**SUBJECT:**

Consideration of a Resolution Accepting 2021 State Homeland Security Program Grant Funds in the Amount of \$72,000 for the Purchase of Law Enforcement Equipment (Police Chief Johnson).

- A) ADOPT RESOLUTION NO. 23-0002**
  - B) APPROPRIATE FUNDS**
- 

**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 23-0002 accepting the 2021 State Homeland Security Program (SHSP) grant award in the amount of \$72,000 and authorize an appropriation of \$72,000 from unreserved General Fund moneys, which will later be reimbursed by grant funds.

**FISCAL IMPLICATIONS:**

These are not budgeted items; however, the purchases will be fully reimbursed by the grant. Although there is no funding match requirement, the City must first purchase the State-approved equipment and then submit a request for reimbursement. An appropriation of \$72,000 from the available unreserved General Fund balance is required to establish the 2021 SHSP grant expenditures within the budget. Budgeted revenues will be adjusted by \$72,000 to include the 2021 SHSP grant fund revenues into the budget.

**BACKGROUND:**

The United States Department of Homeland Security provides grant funding to assist state and local governments in protecting against, responding to, and recovering from terrorist attacks and natural disasters through the State Homeland Security Program (SHSP). Since 2001, the City

has been awarded SHSP grant funds to purchase equipment (e.g. personal protective equipment, portable radios, and automated license plate readers), and conduct training for first responders.

**DISCUSSION:**

The grant funded expenditures are pre-approved by the State and are specifically allocated for the purchase of equipment to enhance communications and interoperability. The performance period of the grant ends February 28, 2024.

The grant is administered locally by the County of Los Angeles. The Agreement between the City of Manhattan Beach and the County of Los Angeles (Attachment 2) outlines the requirements of the grant and the guidelines for reimbursement of eligible expenses.

**PUBLIC OUTREACH:**

After analysis, staff determined that public outreach was not required for this issue.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

**LEGAL REVIEW:**

The City Attorney has reviewed the grant agreement and approved it as to form.

**ATTACHMENTS:**

1. Resolution No. 23-0002
2. Agreement - State Homeland Security Program Grant 2021

RESOLUTION NO. 23-0002

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING AN AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND THE COUNTY OF LOS ANGELES FOR A 2021 STATE HOMELAND SECURITY PROGRAM GRANT

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves the Agreement between the City of Manhattan Beach and the County of Los Angeles dated January 17, 2023, for a State Homeland Security Program Grant in the Amount of \$72,000.

SECTION 2. The Council hereby directs the City Manager to execute the Agreement on behalf of the City.

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

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
STEVE NAPOLITANO  
Mayor

ATTEST:

\_\_\_\_\_  
LIZA TAMURA  
City Clerk

***State Homeland Security Program  
Subrecipient Agreement  
Grant Year 2021***

***Between the  
County of Los Angeles  
and the  
City of Manhattan Beach***

**SUBRECIPIENT AGREEMENT  
BETWEEN THE  
COUNTY OF LOS ANGELES  
AND THE  
CITY OF MANHATTAN BEACH**

THIS AGREEMENT ("Agreement") is made and entered into by and between the County of Los Angeles, a political subdivision of the State of California (the "County of Los Angeles"), and the City of Manhattan Beach, a public agency (the "Subrecipient").

W I T N E S S E T H

WHEREAS, the U.S. Department of Homeland Security Title 2 Code of Federal Regulations (CFR) through the Office of Grants and Training (G&T), has provided financial assistance for the State Homeland Security Program (SHSP), Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number ) 97.067 – Homeland Security Grant Program directly to the California Governor’s Office of Emergency Services (Cal OES) for the 2021 SHSP, Federal Award Identification No. 037-00000 Federal Award dated October 27, 2021 with a performance period of September 1, 2021 to May 31, 2024. This Federal Award is not a R&D award; and

WHEREAS, the Cal OES provides said funds to the County of Los Angeles, Unique Entity ID (UEI) #KU76QNJGYFF6, as its Subgrantee, and the Chief Executive Office (CEO) is responsible for managing and overseeing the SHSP funds that are distributed to other specified jurisdictions within Los Angeles County; and

WHEREAS, this financial assistance is being provided to the Subrecipient in order to address the unique equipment, training, organization, exercise and planning needs of the Subrecipient, and to assist the Subrecipient in building effective prevention and protection capabilities to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the County of Los Angeles as Subgrantee has obtained approval of the 2021 SHSP grant from Cal OES in the total amount of \$10,192,647.00; and

WHEREAS, the CEO now wishes to distribute 2021 SHSP grant funds to the Subrecipient in the amount of \$72,000.00, as further detailed in this Agreement; and

WHEREAS, the CEO is authorized to enter into subrecipient agreements with cities providing for re-allocation and use of these funds; and to execute all future amendments, modifications, extensions, and augmentations relative to the subrecipient agreements, as necessary; and

WHEREAS, the County of Los Angeles and Subrecipient are desirous of executing this Agreement, and the County of Los Angeles Board of Supervisors on July 12, 2022 authorized the CEO to prepare and execute this Agreement.

NOW, THEREFORE, the County of Los Angeles and Subrecipient agree as follows:

## SECTION I

### INTRODUCTION

#### §101. Parties to this Agreement

The parties to this Agreement are:

- A. County of Los Angeles, a political subdivision of the State of California, having its principal office at Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012; and
- B. City of Manhattan Beach, a public agency, having its principal office at \_\_\_\_\_  
1400 Highland Avenue, Manhattan Beach, CA 90266.

#### §102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications must be given are as follows:
  - 1. The representative of the County of Los Angeles is, unless otherwise stated in this Agreement:

Craig Hiramawa, HSGP Grants Director  
Chief Executive Office, LAC  
500 West Temple Street, Room B-79-2  
Los Angeles, CA 90012  
Phone: (213) 974-1127  
Fax: (213) 687-3765  
[CHiramawa@ceo.lacounty.gov](mailto:CHiramawa@ceo.lacounty.gov)

Jimmy Nguyen  
Chief Executive Office, LAC  
500 West Temple Street, Room B-79-2  
Los Angeles, CA 90012  
Phone: (213) 262-7902  
Fax: (213) 687-3765  
[JNguyen@ceo.lacounty.gov](mailto:JNguyen@ceo.lacounty.gov)

2. The representative of Subrecipient is:

Name and Title:	Bruce Moe, City Manager
Organizational UEI Number:	944354539
Address:	1400 Highland Avenue
City/State/Zip:	Manhattan Beach, CA 90266
Phone:	310-802-5053
FAX:	310-802-5101
Email:	bmo@manhattanbeach.gov

With a copy to:

Name and Title:	Julie Dahlgren, Sr. Mgmt Analyst
Address:	420 15th Street
City/State/Zip:	Manhattan Beach, CA 90266
Phone:	310-802-5118
FAX:	310-802-5101
Email:	jdahlgren@manhattanbeach.gov

- B. Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery, regular U.S. Postal mail service and/or e-mail. In the event of personal delivery or email, the message will be deemed communicated upon receipt by the County of Los Angeles. In the event of mail service, the message will be deemed communicated as of the date of mailing.
- C. If the name and/or title of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

Subrecipient is acting hereunder as an independent party, and not as an agent or employee of the County of Los Angeles. An employee of Subrecipient is not, and will not be deemed, an employee of the County of Los Angeles by virtue of this Agreement, and Subrecipient must so inform each employee organization and each employee who is hired or retained under this Agreement. Subrecipient must not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the County of Los Angeles by virtue of this Agreement.

§104. Conditions Precedent to Execution of This Agreement

Subrecipient must provide the following signed documents to the County of Los Angeles, unless otherwise exempted:

- A. Certification and Disclosure Regarding Lobbying, attached hereto as Exhibit A and made a part hereof, in accordance with §411.A.14 of this Agreement. Subrecipient must also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by Subrecipient.
- B. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, attached hereto as Exhibit B and made a part hereof, as required by Executive Order 12549 in accordance with §411.A.12 of this Agreement.
- C. Certification Regarding Drug-Free Workplace, attached hereto as Exhibit C and made a part hereof, in accordance with §411.A.13 of this Agreement.
- D. Certification of Grant Assurances, attached hereto as Exhibit D and made a part hereof, in accordance with §411.C of this Agreement.

SECTION II

TERM AND SERVICES TO BE PROVIDED

§201. Performance Period

The performance period of this Agreement is from September 1, 2021 to February 28, 2024, unless the County of Los Angeles, with Cal OES approval, provides written notification to the Subrecipient that the performance period has been extended, in which case the performance period will be so extended by such written notification, as provided in §502, below.



## §202. Use of Grant Funds

- A. Subrecipient and the County of Los Angeles have previously completed a mutually approved budget/expenditure plan, hereinafter "Budget," for the 2021 SHSP, which has been approved by Cal OES. This information is contained in a copy of the Final Grant Award Letter and Project Worksheet, attached hereto as Exhibit E.

Any request by Subrecipient to modify the Budget must be made in writing with the appropriate justification and submitted to CEO for approval. If during the County of Los Angeles review process, additional information or documentation is required, the Subrecipient will have ten (10) business days to comply with the request. If the Subrecipient does not comply with the request, CEO will issue written notification indicating that the requested modification will not be processed. Modifications must be approved in writing by the County of Los Angeles and Cal OES during the term of this Agreement. Upon approval, all other terms of this Agreement will remain in effect.

Subrecipient must utilize grant funds in accordance with all Federal regulations and State Guidelines.

- B. Subrecipient agrees that grant funds awarded will be used to supplement existing funds for program activities, and will not supplant (replace) non-Federal funds.
- C. Subrecipient must review the Federal Debarment Listing at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf> prior to the purchase of equipment or services to ensure the intended vendor is not listed and also maintain documentation that the list was verified.
- D. Prior to the purchase of equipment or services utilizing a sole source contract or the receipt of single bid response of \$250,000.00 or more, justification must be presented to CEO, who upon review will request approval from Cal OES. Such approval in writing must be obtained prior to the commitment of funds.
- E. Subrecipient must provide any certifications or reports requested by the County of Los Angeles to the CEO indicating Subrecipient's performance under this Agreement, including progress on meeting program goals. Reports must be in the form requested by the County of Los Angeles, and must be provided by the fifteenth (15<sup>th</sup>) of the following month. Subrecipient is required to complete any survey requests requested by the County of Los Angeles. Subrecipient must also submit completed Project Claims for reimbursement immediately or a minimum on a quarterly basis, and no later than the date stated in §201, above.
- F. Subrecipient must provide an electronic copy of their Annual Single Audit Report, as required by Title 2 Code of Federal Regulations (C.F.R) Part 200, to the County of Los Angeles within 30 calendar days after receipt of the auditor's report(s). In the event the Subrecipient does not meet the Single Audit Threshold

expenditure amount in a fiscal year, the Subrecipient must provide the County of Los Angeles a copy of a letter sent to State Controller's Office noting the Single Audit Threshold was not met, and its exempt status within nine months after the end of the Subrecipient's fiscal year, unless otherwise approved by the County of Los Angeles.

- G. Subrecipient may be monitored by the County of Los Angeles on an annual basis to ensure compliance with Cal OES grant program requirements. The County of Los Angeles anticipates that said monitoring may include, at a minimum, one on-site visit during the term of this Agreement. Monitoring will utilize a Review Instrument (sample attached hereto as Exhibit H, and subject to periodic revisions) to evaluate compliance.
- H. Subrecipient must provide Corrective Action Plan(s) to CEO within thirty (30) days of any audit finding.
- I. Subrecipient use of the Los Angeles Regional Interoperable Communication System's Motorola Solutions, Incorporated Land Mobile Radio System Contract to purchase equipment is unallowable unless the Subrecipient can clearly demonstrate to CEO it meets one of the four federal exceptions to necessitate a noncompetitive procurement before issuance of any contract, amendment, or purchase order.
- J. Subrecipient shall not use grant funds to purchase, extend, or renew any Telecommunications and Video Surveillance services and equipment as substantial or essential component of any system, or as critical technology as part of any system which the Secretary of Defense, in consultation with Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an owned, controlled by, or connected to the People's Republic of China such as and not limited to Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); or Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- K. Any equipment acquired pursuant to this Agreement must be authorized in the G&T Authorized Equipment List (AEL) available online at <https://www.fema.gov/authorized-equipment-list> and the Funding Guidelines of the 2021 SHSP Notice of Funding Opportunity, incorporated by reference, and attached hereto as Exhibit F. Subrecipient must provide the CEO a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet or exceed the minimum Federal requirements and any added Cal OES requirements. Federal procurement requirements for the 2021 SHSP can be found at Title 2 CFR Part 200.313.

Any equipment acquired or obtained with Grant Funds:

1. Will be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
  2. Will be consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that plan;
  3. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
- L. Equipment acquired pursuant to this Agreement will be subject to the requirements of Title 2 CFR Part 200.313. For the purposes of this subsection, "Equipment" is defined as tangible nonexpendable property, having a useful life of more than one year which costs \$5,000.00 or more per unit. Items costing less than \$5,000.00, but acquired under the "Equipment" category of the Grant must also be listed on any required Equipment Listing.
1. Equipment must be used by Subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
  2. Subrecipient must make Equipment available for use on other like projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the awarding agency.
  3. An Equipment Listing must be maintained listing each item of Equipment acquired with SHSP funds. The Equipment Listing must be kept up to date at all times. Any changes must be recorded in the Listing within ten (10) business days and the updated Listing is to be forwarded to the County of Los Angeles Auditor-Controller (A-C) Shared Services Division. The Equipment Property Records must be maintained that include: (a) a description of the property, (b) a serial number or other identification number, (c) the source of property, (d) who holds title, (e) the acquisition date, (f) and cost of the property, (g) percentage of Federal participation in the cost of the property, (h) the location, (i) use and condition of the

property, (j) and any ultimate disposition data including the date of disposal and sale price of the property. Records must be retained by the subrecipient pursuant to Title 2, Part 200.313 (d) (1) of the CFR.

4. All Equipment obtained under this Agreement must have an appropriate identification decal affixed to it, and, when practical, must be affixed where it is readily visible.
  5. A physical inventory of the Equipment must be taken by the Subrecipient and the results reconciled with the Equipment Listing at least once every two years or prior to any site visit by State or Federal auditors or County of Los Angeles monitors. The Subrecipient is required to have on file a letter certifying as to the accuracy of the Equipment Listing in the frequency as above, and provide to the CEO when requested.
- M. Any Planning paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F or subsequent grant year programs.
- N. Any Organization activities paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F.
- O. Any Training paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F, and must be first submitted to CEO and then pre-authorized by Cal OES. A catalog of federally approved and sponsored training courses is available at <https://www.firstrespondertraining.gov/frts/>.
- P. Any Exercise paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <https://www.fema.gov/hseep>.
- Q. Any Personnel activities paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F.
- R. Subrecipient must provide to CEO a spending plan detailing the required steps and timeframes required to complete the approved projects within the grant timeframe. Subrecipient must submit the spending plan to CEO prior to final execution of the Agreement.
- S. Pursuant to this Agreement, indirect costs are not reimbursable.

## SECTION III

### PAYMENT

#### §301. Payment of Grant Funds and Method of Payment

- A. The County of Los Angeles will reimburse Subrecipient up to the maximum grant amount of \$72,000.00 as expenditures are incurred and paid by Subrecipient and all documentation is reviewed and approved by County of Los Angeles. All expenditures must be for the purchase of equipment, exercises, training, organization, and planning as described in Section II of this Agreement. The grant amount represents the amount allocated to Subrecipient in the 2021 SHSP Grant Award Letter from Cal OES.
- B. Subrecipient must submit reimbursement requests to the County of Los Angeles A-C Shared Services Division requesting payment as soon as a Project is completed and expenses are incurred and paid with the required supporting documentation; submission can be sent immediately or at a minimum on a quarterly basis, and no later than the date stated in §201, above. Each reimbursement request must be accompanied by the Reimbursement Form (sample attached hereto as Exhibit G, and subject to periodic revisions). All appropriate back-up documentation must be attached to the reimbursement form, including the method of procurement, bid documentation, purchase orders, invoices, report of goods received, and proof of payment.

For Training reimbursements, Subrecipient must include a copy of the class roster verifying training attendees, proof that prior approval was obtained from Cal OES and that a Cal OES Feedback number has been assigned to the course, and timesheets and payroll registers for all training attendees.

For Exercise reimbursements, Subrecipient must enter the After Action Report (AAR) and Improvement Plan on the State Office of Domestic Preparedness secure portal within sixty (60) days following completion of the exercise and submit proof of prior State approval of the AAR with the reimbursement request.

For Planning reimbursements, Subrecipient must include a copy of the final tangible product.

- C. The County of Los Angeles may, at its discretion, reallocate unexpended grant funds to another subrecipient. Said reallocation may occur upon approval by the County of Los Angeles of a Subrecipient reimbursement submission, inquiry from the County of Los Angeles to the Subrecipient regarding fund utilization, or by written notification from the Subrecipient to the County of Los Angeles that a portion of the grant funds identified in §301.A., above, will not be utilized. As provided in §502, below, any increase or decrease in the grant amount specified

in §301.A., above, may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

- D. Payment of reimbursement request will be withheld by the County of Los Angeles until the County of Los Angeles has determined that Subrecipient has turned in all supporting documentation and completed the requirements of this Agreement.
- E. It is understood that the County of Los Angeles makes no commitment to fund this Agreement beyond the terms set forth herein.
- F. 1. Funding for all periods of this Agreement is subject to continuing Federal appropriation of grant funds for this program. In the event of a loss or reduction of Federal appropriation of grant funds for this program, the Agreement may be terminated, or appropriately amended, immediately upon notice to Subrecipient of such loss or reduction of Federal grant funds.  
  
2. County of Los Angeles will make a good-faith effort to notify Subrecipient, in writing, of such non-appropriation at the earliest time.

## SECTION IV

### STANDARD PROVISIONS

#### §401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and do not, and will not be deemed to, affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party.

#### §402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder must comply with all applicable laws of the United States of America, the State of California, and the County of Los Angeles. This Agreement will be enforced and interpreted, as applicable, under the laws of the United States of America, the State of California and the County of Los Angeles.

If any part, term or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Agreement, the validity of the remainder of the Agreement will not be affected thereby.

Applicable Federal or State requirements that are more restrictive will be followed.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404. Breach

If any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in all events, no party may recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§405. Prohibition Against Assignment or Delegation

Subrecipient may not do any of the following, unless it has first obtained the written permission of the County of Los Angeles:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§406. Permits

Subrecipient and its officers, agents and employees must obtain and maintain all permits and licenses necessary for Subrecipient's performance hereunder and must pay any fees required therefor. Subrecipient further certifies that it will immediately notify the County of Los Angeles of any suspension, termination, lapse, non-renewal or restriction of licenses, certificates, or other documents.

§407. Nondiscrimination and Affirmative Action

Subrecipient must comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the County of Los Angeles. In performing this Agreement, Subrecipient must not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. Subrecipient must comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

If required, Subrecipient must submit an Equal Employment Opportunity Plan to the Department of Justice Office of Civil Rights in accordance with guidelines listed at <https://www.justice.gov/crt>.

Any subcontract entered into by the Subrecipient relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this §407 of this Agreement.

§408. Indemnification

Each of the parties to this Agreement is a public entity. This indemnity provision is written in contemplation of the provisions of Section 895.2 of the Government Code of the State of California, which impose certain tort liability jointly upon public entities, solely by reason of such entities being parties to an agreement, and the parties agree that this indemnity provision will apply and will be enforceable regardless of whether Section 895 et seq. is deemed to apply to this Agreement. The parties hereto, as between themselves, consistent with the authorization contained in Government Code Sections 895.4 and 895.6 agree to each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party agrees to indemnify and hold harmless the other party for any liability arising out of its own negligent acts or omissions in the performance of this Agreement (i.e., the Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for liability arising out of the Subrecipient's negligent or wrongful acts or omissions and the County of Los Angeles agrees to indemnify and hold harmless the Subrecipient for liability arising out of the County of Los Angeles' negligent or wrongful acts or omissions). Each party further agrees to indemnify and hold harmless the other party for liability that is imposed on the other party solely by virtue of Government Code Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein. Subrecipient certifies that it has adequate self-insured retention of funds to meet any obligation arising from this Agreement.

§409. Conflict of Interest

- A. The Subrecipient covenants that none of its directors, officers, employees, or agents may participate in selecting, or administering, any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:



1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" means domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.
2. The term "financial or other interest" means:
  - a. Any direct or indirect financial interest in the specific contract, including but not limited to, a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
  - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.

- C. The Subrecipient further covenants that no officer, director, employee, or agent may solicit or accept gratuities, favors, or anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- D. The Subrecipient may not subcontract with a former director, officer, or employee within a one-year period following the termination of the relationship between said person and the Subrecipient.
- E. Prior to obtaining the County of Los Angeles' approval of any subcontract, the Subrecipient must disclose to the County of Los Angeles any relationship, financial or otherwise, direct or indirect, of the Subrecipient or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references are made to the guidelines, rules, and laws of the County of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- G. The Subrecipient warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- H. The Subrecipient covenants that no member, officer or employee of Subrecipient may have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- I. The Subrecipient must incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this grant and must substitute the term "subcontractor" for the term "Subrecipient" and "sub subcontractor" for "Subcontractor".

§410. Restriction on Disclosures

Any reports, analyses, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250 et seq.).

§411. Statutes and Regulations Applicable To All Grant Contracts

- A. Subrecipient must comply with all applicable requirements of State, Federal, and County of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Subrecipient must comply with applicable State and Federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Subrecipient must comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. CFR

Subrecipient must comply with Title 2 CFR Part 200.

2. Single Audit Act

Since Federal funds are used in the performance of this Agreement, Subrecipient must, as applicable, adhere to the rules and regulations of the Single Audit Act (31 USC Sec. 7501 et seq.), 2 CFR Part 200 and any administrative regulation or field memos implementing the Act.

3. Americans with Disabilities Act

Subrecipient hereby certifies that, as applicable, it will comply with the Americans with Disabilities Act 42, USC §§12101 et seq., and its implementing regulations. Subrecipient will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. Subrecipient will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by Subrecipient, relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement may be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither may any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement may be used for any sectarian purpose or to support or benefit any sectarian activity.

Subrecipient must file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Subrecipient. Subrecipient must require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors certify and disclose accordingly.

5. Records Inspection

At any time during normal business hours and as often as either the County of Los Angeles, the U.S. Comptroller General or the Auditor General of the State of California may deem necessary, Subrecipient must make available for examination all of its records with respect to all matters covered by this Agreement. The County of Los Angeles, the U.S. Comptroller General and the Auditor General of the State of California have the authority to audit, examine and make excerpts or transcripts from records, including all Subrecipient's method of procurement, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

Subrecipient agrees to provide any reports requested by the County of Los Angeles regarding performance of this Agreement.

6. Records Maintenance

Records, in their original form, must be maintained in accordance with requirements prescribed by the County of Los Angeles with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The County of Los Angeles may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, must at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the County of Los Angeles.

7. Subcontracts and Procurement

Subrecipient must, as applicable, comply with the Federal, State and County of Los Angeles standards in the award of any subcontracts. For purposes of this Agreement, subcontracts include but are not limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

Subrecipient must, as applicable, ensure that the terms of this Agreement with the County of Los Angeles are incorporated into all Subcontractor agreements. The Subrecipient must submit all Subcontractor agreements to the County of Los Angeles for review prior to the release of any funds to the Subcontractor. The Subrecipient must withhold funds to any Subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor agreement.

8. Labor

Subrecipient must, as applicable, comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 CFR 900, Subpart F).

Subrecipient must, as applicable, comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7); the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874); the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements; and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

Subrecipient must, as applicable, comply with the Federal Fair Labor Standards Act (29 U.S.C. §201) regarding wages and hours of employment.

None of the funds may be used to promote or deter union/labor organizing activities. CA Gov't Code Sec. 16645 et seq.

9. Civil Rights

Subrecipient must, as applicable, comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of disabilities; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) that may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

Subrecipient must, as applicable, comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

Subrecipient must, as applicable, comply with environmental standards which may be prescribed pursuant to the following: (a) institution of

environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

Subrecipient must, as applicable, comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Subrecipient must, as applicable, comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.), which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

Subrecipient must, as applicable, comply with the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

Subrecipient must, as applicable, ensure that the facilities under its ownership, lease or supervision that are utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, Subrecipient warrants and represents that it will, as applicable, comply with the California Environmental Quality Act (CEQA), Public Resources Code §21000 et seq.

Subrecipient must, as applicable, comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

Subrecipient must, as applicable, comply with the provision of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 U.S.C. 3501 et seq.) which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. Preservation

Subrecipient must, as applicable, comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

12. Suspension, Debarment, Ineligibility and Voluntary Exclusion

Subrecipient must, as applicable, comply with Title 2 CFR Part §3000, regarding Suspension and Debarment, and Subrecipient must submit a Certification Regarding Debarment, attached hereto as Exhibit B, required by Executive Order 12549 and any amendment thereto. Said Certification must be submitted to the County of Los Angeles concurrent with the execution of this Agreement and must certify that neither Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department head or agency. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

13. Drug-Free Workplace

Subrecipient must, as applicable, comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, Title 44 Code of Federal Regulations (CFR) Part §17; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§8350-8357, and Subrecipient must complete the Certification Regarding Drug-Free Workplace Requirements, attached hereto as Exhibit C, and incorporated herein by reference. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

14. Lobbying Activities

Subrecipient must, as applicable, comply with 31 U.S.C.1352 and complete the Disclosure of Lobbying Activities, (OMB 0038-0046), attached hereto as Exhibit A, and incorporated herein by reference.

15. Miscellaneous

Subrecipient must, as applicable, comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131 et seq.).

## B. Statutes and Regulations Applicable To This Particular Grant Agreement

Subrecipient must comply with all applicable requirements of State and Federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. Subrecipient must, as applicable, comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

Title 2 CFR Part 200; EO 12372; U.S. Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, Office for Domestic Preparedness, ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, §8607.1(e) and CCR Title 19, §§2445-2448.

Provisions of Title 2, 6, 28, 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal Employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to Federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government-Wide Requirements for a Drug Free Workplace (grants).

Nondiscrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC 3789(d), or the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1, and all other applicable Federal laws, orders, circulars, or regulations.

### 1. Travel Expenses

Subrecipient, as provided herein, will be compensated for Subrecipient's reasonable travel expenses incurred in the performance of this



Agreement, to include travel and per diem, unless otherwise expressed. Subrecipient's total travel for in-State and/or out-of-State and per diem costs must be included in the contract budget(s). All travel, including out-of-State travel, that is not included in the budget(s) will not be reimbursed without prior written authorization from the County of Los Angeles.

Subrecipient's administrative-related travel and per diem reimbursement costs will not be reimbursed. For programmatic-related travel costs, Subrecipient's reimbursement rates may not exceed the amounts established under the grant.

#### C. Compliance With Grant Requirements

To obtain the grant funds, the State required an authorized representative of the County of Los Angeles to sign certain promises regarding the way the grant funds would be spent. These requirements are included in Exhibit F and in the State's "Grant Assurances". By signing these Grant Assurances and accepting Exhibit F, the County of Los Angeles became liable to the State for any funds that are used in violation of the grant requirements. The State's Grant Assurances are incorporated into this Agreement through Exhibit D. Subrecipient will be liable to the Grantor for any funds the State determines the Subrecipient used in violation of these Grant Assurances.

Pursuant to this Agreement, Subrecipient shall execute the 2021 Certification of Grant Assurances in Exhibit D, accepting and agreeing to abide by all provisions, assurances, and requirements therein. Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for any sums the State or Federal government determines Subrecipient used in violation of the Grant Assurances.

To the extent Exhibit D conflicts with language or provisions contained in this Agreement, or contains more restrictive requirements under Federal and State law, Exhibit D shall control.

#### D. Noncompliance With Grant Requirements

Subrecipient understands that failure to comply with any of the above assurances and requirements, including Exhibit D, may result in suspension, termination or reduction of grant funds, and repayment by the Subrecipient to the County of Los Angeles of any unauthorized expenditures.

#### §412. Federal, State and Local Taxes

Federal, State and local taxes are the responsibility of the Subrecipient as an independent party and not of the County of Los Angeles and must be paid prior to requesting reimbursement. However, these taxes are an allowable expense under the grant program.

## §413. Inventions, Patents and Copyrights

### A. Reporting Procedure for Inventions

If any project produces any invention or discovery ("Invention") patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the Subrecipient must report the fact and disclose the Invention promptly and fully to the County of Los Angeles. The County of Los Angeles will report the fact and disclose the Invention to the State. Unless there is a prior agreement between the County of Los Angeles and the State, the State will determine whether to seek protection on the Invention. The State will determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of Title 35 U.S.C. Sections 200 et seq. (Pub. L. 95-517, Pub. L. 98-620, Title 37 CFR Part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, Title 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, Title 3 CFR, 1987 Comp., p. 262). Subrecipient hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

### B. Rights to Use Inventions

As applicable, County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

### C. Copyright Policy

1. Unless otherwise provided by the State or the terms of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the County of Los Angeles, at its discretion, may copyright the Material. If the County of Los Angeles declines to copyright the Material, the County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The State will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.
3. Subrecipient must comply with Title 24 CFR 85.34.

#### D. Rights to Data

The State and the County of Los Angeles will have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, *distribute* copies to the public, and perform and display publicly, or permit others to do so; as required by Title 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the State acquires the data under a copyright license as set forth in Title 48 CFR 27.404(f)(2) instead of unlimited rights. (Title 48 CFR 27.404(a)).

#### E. Obligations Binding on Subcontractors

Subrecipient must require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

#### §414. Child Support Assignment Orders

Under the terms of this Agreement, Subrecipient must, as applicable, comply with California Family Code Section 5230 et seq.

#### §415. Minority, Women, And Other Business Enterprise Outreach Program

It is the policy of the County of Los Angeles to provide Minority Business Enterprises, Women Business Enterprises and all other business enterprises an equal opportunity to participate in the performance of all Subrecipient's contracts, including procurement, construction and personal services. This policy applies to all of the Subrecipient's contractors and sub-contractors.

#### §416. Compliance with Fair Chance Employment Practices

Subrecipient shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Subrecipient's violation of this paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County of Los Angeles may, in its sole discretion, terminate the Agreement.

#### §417. Method of Payment and Required Information

The County of Los Angeles may, at its sole discretion, determine the most appropriate, efficient, secure, and timely form of payment provided under this Agreement. Subrecipient further agrees that the default form of payment shall be Electronic Funds Transfer (EFT) or Direct Deposit, unless an alternative method of payment is deemed appropriate by the A-C.

Subrecipient shall provide the A-C with electronic banking and related information for the Subrecipient and/or any other payee that the Subrecipient designates to receive payment pursuant to this Agreement at <https://directdeposit.lacounty.gov/>. Such electronic banking and related information includes, but is not limited to: bank account number and routing number, legal business name, valid taxpayer identification number or TIN, a working e-mail address capable of receiving remittance advices and other payment related correspondence, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or Direct Deposit shall supersede this requirement with respect to those payments. At any time during the duration of this Agreement, the Subrecipient may submit a written request for an exemption to this requirement and must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with CEO, shall decide whether to approve exemption requests.

## SECTION V

### DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

#### §501. Defaults

Should either party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.

#### §502. Termination

This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County of Los Angeles, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Subrecipient specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

#### §503. Amendments

Except as otherwise provided in this paragraph, any change in the terms of this Agreement, including changes in the services to be performed by Subrecipient,

that are agreed to by the Subrecipient and the County of Los Angeles must be incorporated into this Agreement by a written amendment properly signed by persons who are authorized to bind the parties. Notwithstanding the foregoing, any increase or decrease of the grant amount specified in §301.A., above, or any extension of the performance period specified in §201, above, does not require a written amendment, but may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

## SECTION VI

### ENTIRE AGREEMENT

#### §601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation or other communication with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement.

#### §602. Number of Pages and Attachments

This Agreement may be executed utilizing wet, scanned digital, and electronic signatures, each of which is deemed to be an original. This Agreement includes (26) pages and (8) Exhibits which constitute the entire understanding and agreement of the parties.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Subrecipient and County of Los Angeles have caused this Agreement to be executed by their duly authorized representatives.

COUNTY OF LOS ANGELES

BY \_\_\_\_\_  
FESIA A. DAVENPORT  
Chief Executive Officer  
Date \_\_\_\_\_

BY \_\_\_\_\_  
CELIA ZAVALA  
Executive Officer, Board of Supervisors

BY \_\_\_\_\_  
ARLENE BARRERA  
Auditor-Controller

APPROVED AS TO FORM

DAWYN R, HARRISON  
Acting County Counsel

BY \_\_\_\_\_  
Deputy County Counsel

CITY OF MANHATTAN BEACH

BY \_\_\_\_\_  
City Representative/Title (Signature)      Bruce Moe, City Manager  
(Print Name)      Date \_\_\_\_\_

APPROVED AS TO FORM

BY \_\_\_\_\_  
City Attorney (Signature)      Quinn Barrow  
(Print Name)      Date \_\_\_\_\_

ATTEST

BY \_\_\_\_\_  
City Clerk (Signature)      Liza Tamura  
(Print Name)      Date \_\_\_\_\_

## EXHIBITS

- Exhibit A Certification and Disclosure Regarding Lobbying
- Exhibit B Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
- Exhibit C Certification Regarding Drug-Free Workplace
- Exhibit D Certification of Grant Assurances
- Exhibit E Final Grant Award Letter and Project Worksheet
- Exhibit F 2021 Notice of Funding Opportunity
- Exhibit G Reimbursement Form and Instructions
- Exhibit H Monitoring Instrument

## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to *Title 31 U.S.C. Section 1352*. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; sub-grant announcement number; the contract, subgrant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.



10. (a.) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
(b.) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

**DISCLOSURE OF LOBBYING ACTIVITIES**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

<p><b>1. Type of Federal Action:</b></p> <p><input type="checkbox"/> a. contract  <input type="checkbox"/> b. grant  <input type="checkbox"/> c. cooperative agreement  <input type="checkbox"/> d. loan  <input type="checkbox"/> e. loan guarantee  <input type="checkbox"/> f. loan insurance</p>	<p><b>2. Status of Federal Action:</b></p> <p><input type="checkbox"/> a. bid/offer/application  <input type="checkbox"/> b. initial award  <input type="checkbox"/> c. post-award</p>	<p><b>3. Report Type:</b></p> <p><input type="checkbox"/> a. initial filing  <input type="checkbox"/> b. material change</p> <p><b>For Material Change Only:</b>                  Year _____ Quarter _____                  date of last report _____</p>
<p><b>4. Name and Address of Reporting Entity:</b></p> <p><input type="checkbox"/> Prime <input checked="" type="checkbox"/> Subawardee</p> <p style="text-align: center;"><b>Tier, If known:</b> _____</p> <p><b>Congressional District, if known:</b> <u>36</u></p>		<p><b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b></p> <p>County of Los Angeles                  Chief Executive Office - HSGA                  500 West Temple Street, Room B-79-2                  Los Angeles, CA 90012</p> <p><b>Congressional District, if known:</b> _____</p>
<p><b>6. Federal Department/Agency:</b></p> <p>Department of Homeland Security</p>	<p><b>7. Federal Program Name/Description:</b></p> <p>Homeland Security Grant Program</p> <p>CFDA Number, if applicable: <u>97.067</u></p>	
<p><b>8. Federal Action Number, if known:</b> _____</p>		<p><b>9. Award Amount, if known:</b> _____</p>
<p><b>10. a. Name and Address of Lobbying Entity</b>                  (if individual, last name, first name, MI):                  (attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>		<p><b>b. Individuals Performing Services</b>                  (last name, first name, MI - include address if different from 10a)</p>
<p><b>11. Amount of Payment (check all that apply) :</b></p> <p>_____ <input type="checkbox"/> Actual <input type="checkbox"/> Planned</p>		<p><b>13. Type of Payment (check all that apply):</b></p> <p><input type="checkbox"/> a. retainer  <input type="checkbox"/> b. one-time fee  <input type="checkbox"/> c. commission  <input type="checkbox"/> d. contingent fee  <input type="checkbox"/> e. deferred  <input type="checkbox"/> f. other; specify: _____</p>
<p><b>12. Form of Payment (check all that apply):</b></p> <p><input type="checkbox"/> a. cash  <input type="checkbox"/> b. in-kind; specify: _____</p> <p style="text-align: center;"><b>nature</b> _____ <b>value</b> _____</p>		
<p><b>14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated in item 11:</b> (attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>		
<p><b>15. Continuation Sheet(s) SF-LLL-A attached:</b> <input type="radio"/> Yes <input checked="" type="radio"/> No</p>		
<p><b>16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352.</b>                  This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>		<p>Signature: _____                  Name: <u>Bruce Moe</u>                  Title: <u>City Manager</u>                  Telephone: <u>310-802-5053</u>  <small>(area code)</small>                  Date: _____</p>
<p><b>Federal Use Only:</b></p>		<p><b>Authorized for Local Reproduction Standard Form – LLL</b></p>

**DISCLOSURE OF LOBBYING ACTIVITIES  
CONCONTINUATION SHEET**

**Continuation of 10 a-b:** additional sheets may be added if necessary

Reporting Entity:

_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip
_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip
_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip
_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip

**Continuation of 14:** (additional sheets may be added if necessary)

Brief Description of Services and Payments indicated in item 11:

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Standard Form – LLL-A

**CERTIFICATION REGARDING  
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION  
LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 24 CFR Part 24 Section 24.510, Participants' responsibilities.

**(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE  
COMPLETING)**

- 1. The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

\_\_\_\_\_  
AGREEMENT NUMBER

City of Manhattan Beach  
\_\_\_\_\_  
CONTRACTOR/BORROWER/AGENCY

Bruce Moe, City Manager  
\_\_\_\_\_  
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
SIGNATURE DATE

### **INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this document, the prospective recipient of Federal assistance is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation on this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

STATE OF CALIFORNIA  
**DRUG-FREE WORKPLACE CERTIFICATION**  
STD. 21

COMPANY/ORGANIZATION NAME:

The contractor or grant recipient named above hereby certifies compliance with *Government Code Section 8355* in matters relating to providing a drug-free workplace. The above-named contractor or recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by *Government Code Section 8355(a)*.
2. Establish a Drug-Free Awareness Program as required by *Government Code Section 8355(b)*, to inform employees about all of the following:
  - (a) The dangers of drug abuse in the workplace,
  - (b) The person's or organization's policy of maintaining a drug-free workplace,
  - (c) Any available counseling, rehabilitation and employee assistance programs, and
  - (d) Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by *Government Code Section 8355(c)*, that every employee who works on the proposed contract or subgrant:
  - (a) Will receive a copy of the company's drug-free policy statement, and
  - (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or subgrant.

**CERTIFICATION**

I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or Recipient to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

OFFICIAL'S NAME

DATE EXECUTED

EXECUTED IN THE COUNTY OF

CONTRACTOR or RECEIPEINT SIGNATURE

TITLE

95-6000742

FEDERAL I.D. NUMBER

## STATEMENT ON THE DRUG-FREE WORKPLACE

To comply with the enactment of Senate Bill 1120, (*Chapter 1170, Statutes of 1990*), which established the Drug-Free Workplace Act of 1990, the \_\_\_\_\_  
(*your agency*)  
accordingly provides this statement of compliance.

In order to maintain funding eligibility, state agencies, along with those in receipt of grant and contractual awards, must certify that they provide drug-free workplaces and have issued drug-free workplace statements to their employees [*Section 8355(a) of the Government Code*]. Consequently, in accordance with this directive, this statement is issued to meet this requirement.

The \_\_\_\_\_ (*your agency*), an agency within the State of California has adopted this statement in compliance with legislation which addresses issues to avoid the dangers arising from drug and alcohol abuse in the workplace. These dangers include death and injury to the employee, co-workers, or the public resulting from accidents, dereliction of duty, poor judgment and carelessness. Substance abuse also results in lost productivity, reduced efficiency, and increased absenteeism by the substance abuser and interferes with the job performance of employees who do not use illegal or unauthorized substances. [*Section 8355(b)(1)*]

California law prohibits the unlawful manufacture, dispensation, possession, or illegal use of a controlled substance. That prohibition extends to all places and includes the worksite of California state employees. [*Section 8355(a)*]

Employees convicted of a violation of criminal drug statute, when the violation occurred at an employee's worksite, shall report the conviction to the granting and monitoring State agency upon conviction. [*Section 8356(a)(1)(2)*]

In the event of the unlawful manufacture, distribution, dispensation, possession or illegal use of a controlled substance at a State worksite, the State may take disciplinary action pursuant to the law and/or require the satisfactory completion of a drug abuse assistance or rehabilitation program. [*Section 8355(b)(4)*]

The Employee Assistance Program (EAP) provides drug problem assessment and referral to appropriate counseling and rehabilitation services. The EAP is available to all agency employees. Procedures exist to ensure the confidentiality of EAP records. Contact your personnel office for further information.

It is the intent of the \_\_\_\_\_ (*your agency*) to ensure by execution of this statement of compliance that each employee shall abide by the terms of this drug-free workplace statement. [*Section 8355(c)*]



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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**As the duly authorized representative of the Applicant, I hereby certify** that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

**I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:**

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) Federal Preparedness Grants Manual;
- (d) California Supplement to the NOFO; and
- (e) Federal and State Grant Program Guidelines.

### **Federal Regulations**

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the [Office of Management and Budget \(OMB\)](http://www.whitehouse.gov/omb/) and can be found at <http://www.whitehouse.gov/omb/>.

**State and federal grant award requirements are set forth below. The Applicant hereby agrees to comply with the following:**

### **1. Proof of Authority**

The Applicant will obtain proof of authority from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body;





## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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- (d) Applicant is authorized by the city council, governing board, or authorized body to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project cost, if any) to ensure proper planning, management and completion of the project described in this application; and
- (e) Official executing this agreement is authorized by the Applicant.

This Proof of Authority must be maintained on file and readily available upon request.

### 2. Period of Performance

The period of performance is specified in the Award. The Applicant is only authorized to perform allowable activities approved under the award, within the period of performance.

### 3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501- 1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

#### 4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.213 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, recipients, or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

#### 5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all state and federal statutes relating to non-discrimination, including:



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. §§ 12101- 12213), which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs;
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) The Applicant will comply with California's Fair Employment and Housing Act (FEHA) (California Government Code §§ 12940, 12945, 12945.2), as applicable. FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave, military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions;
- (m) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (n) The requirements of any other nondiscrimination statute(s) that may apply to this application.

### 6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

### 7. Environmental Standards

The Applicant will comply with state and federal environmental standards, including:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000- 21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000- 15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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### 8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

### 9. Access to Records

In accordance with 2 C.F.R. § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

### 10. Conflict of Interest

The Applicant will establish safeguards to prohibit the Applicant's employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

### 11. Financial Management

False Claims for Payment - The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subrecipient, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

### 12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

### 13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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### 14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; (3) using forced labor in the performance of the award or subawards under the award.

### 15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

### 16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

### 17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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- (c) Assist the awarding agency in assuring compliance with Section 106 of the
- (d) National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (e) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

### 18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

### 19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.





## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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### 20. California Public Records Act and Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

### EMERGENCY MANAGEMENT PERFORMANCE GRANT (EMPG) – PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

### 21. Acknowledgment of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

### 22. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

### 23. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

### 24. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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### 25. Duplication of Benefits

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

### 26. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

### 27. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

### 28. Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

### 29. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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### 30. Non-supplanting Requirement

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

### 31. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

### 32. SAFECOM

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

### 33. Terrorist Financing

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

### 34. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.



## **Standard Assurances For Cal OES Federal Non-Disaster Grant Programs**

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### **35. USA Patriot Act of 2001**

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

### **36. Use of DHS Seal, Logo, and Flags**

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.



## Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

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### IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the [Department of Homeland Security Standard Terms and Conditions 2020, Version 10.1](#), hereby incorporated by reference, which can be found at:  
<https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

**The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.**

Subrecipient: City of Manhattan Beach

Signature of Authorized Agent: \_\_\_\_\_

Printed Name of Authorized Agent: Bruce Moe

Title: City Manager Date: \_\_\_\_\_

GAVIN NEWSOM  
GOVERNOR

MARK S. GHILARDUCCI  
DIRECTOR



October 23, 2020

Fesia A. Davenport  
Acting Chief Executive Officer  
Los Angeles County  
500 West Temple Street, Room 713  
Los Angeles, CA 90012-0000

**SUBJECT: NOTIFICATION OF SUBRECIPIENT SUBAWARD APPROVAL**  
Fiscal Year (FY) 2020 Homeland Security Grant Program (HSGP)  
Subaward #2020-0095, Cal OES ID#037-00000  
Subaward Period of Performance: 09/01/2020-05/31/2023

Dear Ms. Davenport:

We are pleased to announce the approval of your FY 2020 HSGP subaward in the amount of \$10,593,612. Once the completed application is received and approved, reimbursement of eligible subaward expenditures may be requested using the California Governor's Office of Emergency Services (Cal OES) Financial Management Forms Workbook. Failure to provide documentation in a timely manner could result in a hold on funding, pursuant to Title 2, Code of Federal Regulations (CFR), Sections 200.338(a) and 200.207(b)(1)-(2).

This subaward is subject to requirements in 2 CFR, Part 200, including the Notice of Funding Opportunity (NOFO), the Preparedness Grants Manual, the California Supplement to the NOFO, and all applicable federal, state, and local requirements. All activities funded with this subaward must be completed within the subaward period of performance.

Subrecipients must obtain additional written approval **prior** to incurring costs for activities such as aviation, watercraft, allowability request logs, noncompetitive procurement, and projects requiring Environmental Planning and Historic Preservation review. Additionally, all projects falling under the National Priority Investment Justifications must be reviewed and approved for effectiveness by the



3650 SCHRIEVER AVENUE, MATHER, CA 95655  
[www.CalOES.ca.gov](http://www.CalOES.ca.gov)

Fesia A. Davenport  
October 23, 2020  
Page 2 of 2

Federal Emergency Management Agency (FEMA), prior to the obligation, and expenditure of funds for those projects.

Your organization will be required to prepare and submit the Biannual Strategy Implementation Report (BSIR) to Cal OES via the FEMA Grants Reporting Tool (GRT) semi-annually for the duration of the subaward period of performance or until all activities are completed and the subaward is formally closed. Failure to submit required reports could result in subaward reduction, suspension, or termination. Throughout the subaward cycle, milestones set in the GRT will be used as indicators of project feasibility, performance, and grant management capacity. This information may also be used in assessing proposals in future grant opportunities.

A Conditional Hold has been placed on your subaward; five percent of the subaward must be allocated to each of the four National Priority Investment Justifications for a total of twenty percent of the award. To release this hold, additional information is required for the investments identified which must be submitted in the December 2020 BSIR in a manner consistent with Grants Program Directorate Information Bulletin No. 447.

Your dated signature is required on this letter. Please sign and return the original to your Cal OES Program Representative within 20 calendar days upon receipt and keep a copy for your records. For further assistance, please contact your Cal OES Program Representative.

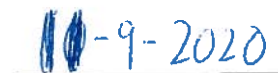
Sincerely,



MARK S. GHILARDUCCI  
Director



Fesia A. Davenport  
Los Angeles County



Date

## Project Ledger

**Manhattan Beach**  
**FY 2021 State Home Security Program (SHSP) Projects**

Grant Subaward: 2021-0081  
 Cal OES ID: 037-00000

<b>Ledger Type</b>	<b>Initial Application</b>
<b>Date</b>	<b>4/25/2021</b>

<b>POP Start Date</b>	9/1/2021
<b>POP End Date</b>	5/31/2024

Project No.	Project Title	Funding Source	Discipline	Solution Area	Total Budgeted
038	LE Automated License Plate Recognition Cameras 3	HSGP-SHSP	LE	Equipment	\$ 72,000

**Total      \$      72,000**



**Planning**

**Manhattan Beach**  
**FY 2021 State Home Security Program (SHSP) Projects**  
 Grant Subaward: 2021-0081  
 Cal OES ID: 037-00000

Ledger Type	Initial Application
Date	4/25/2021

POP Start Date	9/1/2021
POP End Date	5/31/2024

Project No.	Planning Activity	Funding Source	Discipline	Solution Area Sub-Category	Expenditure Category	Final Product	Noncompetitive Procurement over \$250K	Budgeted Cost
								\$ -

**Organization**

**Manhattan Beach**  
**FY 2021 State Home Security Program (SHSP) Projects**  
 Grant Subaward: 2021-0081  
 Cal OES ID: 037-00000

<b>Ledger Type</b>	<b>Initial Application</b>
<b>Date</b>	<b>4/25/2021</b>

<b>POP Start Date</b>	<b>9/1/2021</b>
<b>POP End Date</b>	<b>5/31/2024</b>

Project No.	Organization	Funding Source	Discipline	Solution Area Sub-Category	Expenditure Category	Detail	Certification on File	Budgeted Cost
								\$ -

**Equipment**

**Manhattan Beach**  
**FY 2021 State Home Security Program (SHSP) Projects**  
 Grant Subaward: 2021-0081  
 Cal OES ID: 037-00000

<b>Ledger Type</b>	<b>Initial Application</b>
<b>Date</b>	<b>4/25/2021</b>
<b>POP Start Date</b>	<b>9/1/2021</b>
<b>POP End Date</b>	<b>5/31/2024</b>

Project No.	Equipment Description (Include Quantity)	AEL #	AEL Title	Funding Source	Discipline	Solution Area Sub-Category	Deployable / Shareable	Noncompetitive Procurement over \$250K	Hold Trigger	Budgeted Cost
										\$ 72,000
38.00	2 - 2 Camera Automated License Plate Recognition System (cameras, software, installation) - Fixed	03OE-01-ALPR; 21GN-00-INST	System, Automated License Plate Recognition; Installation	HSGP-SHSP	LE	Information Technology	Deployable	No	EHP	\$ 72,000

**Training**

**Manhattan Beach**  
**FY 2021 State Home Security Program (SHSP) Projects**  
 Grant Subaward: 2021-0081  
 Cal OES ID: 037-00000

Ledger Type	Initial Application
Date	4/25/2021

POP Start Date	9/1/2021
POP End Date	5/31/2024

Project No.	Course Name	Funding Source	Discipline	Solution Area Sub Category	Expenditure Category	Feedback Number	Training Activity	Total # Trainee(s)	Identified Host	Noncompetitive Procurement	EHP Hold	EHP Approval Date	Budgeted Cost
													\$ -

**Exercise**

**Manhattan Beach**  
**FY 2021 State Home Security Program (SHSP) Projects**  
 Grant Subaward: 2021-0081  
 Cal OES ID: 037-00000

<b>Ledger Type</b>	<b>Initial Application</b>
<b>Date</b>	<b>4/25/2021</b>

<b>POP Start Date</b>	9/1/2021
<b>POP End Date</b>	5/31/2024

Project No.	Exercise Title	Funding Source	Discipline	Solution Area Sub-Category	Expenditure Category	Date of Exercise	Exercise Type	Identified Host	Date of AAR entered into HSEEP	Noncompetitive Procurement over \$250K	EHP Hold	Budgeted Cost
												\$ -

**The Department of Homeland Security (DHS)  
Notice of Funding Opportunity (NOFO)  
Fiscal Year 2021 Homeland Security Grant Program**

**NOTE:** If you are going to apply for this funding opportunity and have not obtained an Employer Identification Number (EIN), a Data Universal Numbering System (DUNS) number, are not currently registered in the System for Award Management (SAM), or your SAM registration is not active, please take immediate action to obtain an EIN and DUNS Number, if applicable, and then register immediately in SAM or, if applicable, renew your SAM registration. It may take four weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at:

<http://www.grants.gov/web/grants/register.html>. Detailed information regarding DUNS, EIN, and SAM is also provided in Section D of this NOFO under the subsection titled “How to Register to Apply.” Detailed information regarding the time required for each registration is also provided in Section D of this NOFO under the subsection titled “Other Key Dates.”

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**A. Program Description****1. Issued By**

U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA)/Grant Programs Directorate (GPD)

**2. Assistance Listings Number**

97.067

**3. Assistance Listings Title**

Homeland Security Grant Program

**4. Funding Opportunity Title**

Fiscal Year 2021 Homeland Security Grant Program (HSGP)

- State Homeland Security Program (SHSP)
- Urban Area Security Initiative (UASI)
- Operation Stonegarden (OPSG)

**5. Funding Opportunity Number**

DHS-21-[GPD]-[067]-[00]-[02]

**6. Authorizing Authority for Program**

Section 2002 of the *Homeland Security Act of 2002* (Pub. L. No. 107-296, as amended) (6 U.S.C. § 603)

**7. Appropriation Authority for Program**

*Department of Homeland Security Appropriations Act, 2021* (Pub. L. No. 116-260)

**8. Announcement Type**

Initial

**9. Program Category**

Preparedness: Community Security

**10. Program Overview, Objectives, and Priorities****a. *Overview***

The Fiscal Year (FY) 2021 Homeland Security Grant Program (HSGP) is one of three grant programs that constitute the DHS/FEMA focus on enhancing the ability of state, local, tribal, and territorial governments, as well as nonprofits, to prevent, protect against, respond to, and recover from terrorist attacks. These grant programs are part of a comprehensive set of measures authorized by Congress and implemented by DHS to help strengthen the Nation's communities against potential terrorist attacks. Among the five basic homeland security missions noted in the DHS Strategic Plan, HSGP supports the goal to Strengthen National Preparedness and Resilience.



In FY 2021, there are three components of HSGP:

- 1) ***State Homeland Security Program (SHSP)***: SHSP assists state, local, tribal, and territorial efforts to build, sustain, and deliver the capabilities necessary to prevent, prepare for, protect against, and respond to acts of terrorism.
- 2) ***Urban Area Security Initiative (UASI)***: UASI assists high-threat, high-density Urban Area efforts to build, sustain, and deliver the capabilities necessary to prevent, prepare for, protect against, and respond to acts of terrorism.
- 3) ***Operation Stonegarden (OPSG)***: OPSG supports enhanced cooperation and coordination among Customs and Border Protection (CBP), United States Border Patrol (USBP), and federal, state, local, tribal, and territorial law enforcement agencies to improve overall border security. OPSG provides funding to support joint efforts to secure the United States' borders along routes of ingress/egress to and from international borders, to include travel corridors in states bordering Mexico and Canada, as well as states and territories with international water borders. State, local, tribal, and territorial (SLTT) law enforcement agencies utilize their inherent law enforcement authorities to support the border security mission and do not receive any additional authority as a result of participation in OPSG.

The [2018-2022 FEMA Strategic Plan](#) creates a shared vision for reducing the risks posed by terrorism and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. HSGP supports the goals of Building a Culture of Preparedness and Readyng the Nation for Catastrophic Disasters. We invite our stakeholders and partners to also adopt these priorities and join us in building a more prepared and resilient Nation, as preparedness is a shared responsibility and funding should support priorities that are most impactful and demonstrate the greatest return on investment.

For FY 2021, DHS is focused on the criticality of information sharing and collaboration to building a national culture of preparedness and protecting against terrorism and other emerging threats to our national security. DHS and its homeland security mission were born from the “failures among federal agencies and between the federal agencies and state and local authorities to share critical information related to the threat of terrorism” prior to the September 11, 2001, attacks.<sup>1</sup> The threat profile has changed in the past two decades – we now face continuous cyber threats by sophisticated actors, threats to soft targets and crowded places, threats from domestic violent extremists, and threats from new and emerging technologies. But information sharing and cooperation among state, local, and tribal authorities and federal agencies, including all DHS officials, is just as vital, and perhaps even more vital, today. Therefore, for FY 2021, we have identified five priority areas, tied to some of the most serious threats that DHS would like to see addressed by state and local

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<sup>1</sup> Homeland Security Act of 2002: Report Together with Minority and Dissenting Views 222, Select Committee on Homeland Security: 107th Congress, U.S. House of Representatives (2002) (H. Rpt. 107-609).

governments, that recipients will need to address with their HSGP funds. Perhaps most importantly, we will be focused on forging partnerships to strengthen information sharing and collaboration in each of these priority areas and looking for recipients to remove barriers to communication and cooperation with DHS and other federal agencies.

**b. *Objective***

The objective of the FY 2021 HSGP is to fund state, local, tribal, and territorial efforts to prevent terrorism and prepare the Nation for threats and hazards that pose the greatest risk to the security of the United States.

**c. *Priorities***

Given the evolving threat landscape, it is incumbent upon DHS/FEMA to continuously evaluate the national risk profile and set priorities that help ensure appropriate allocation of scarce security dollars. In assessing the national risk profile for FY 2021, five priority areas attract the most concern. Due to the unique threats that the nation faces in 2021, DHS/FEMA has determined that these five priorities should be addressed by allocating specific percentages of SHSP and UASI funds to each of these five areas, for a total of 30 percent per award. The following are the five priority areas for FY 2021, along with the corresponding percentage of SHSP and UASI funds that each recipient will be required to designate to each priority area in order to obtain a full allocation of SHSP and UASI funds:

- 1) Enhancing cybersecurity – 7.5 percent
- 2) Enhancing the protection of soft targets/crowded places – 5 percent
- 3) Enhancing information and intelligence sharing and analysis, and cooperation with federal agencies, including DHS – 5 percent
- 4) Combating domestic violent extremism – 7.5 percent
- 5) Addressing emergent threats (e.g., transnational criminal organizations, unmanned aircraft systems [UASs], weapons of mass destruction [WMD], etc.) – 5 percent

Failure by a recipient to propose investments and projects that align with the five priority areas and spending requirements will result in a recipient having a portion of their SHSP and UASI funds (up to 30 percent) placed on hold until they provide projects that sufficiently align to the National Priority Areas, and total at least the minimum percentage identified above of total SHSP and UASI funds per National Priority Area.

A state or high-risk urban area must allocate the remaining 70 percent of their funding to gaps identified through their Threat and Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) process.

Likewise, there are several enduring security needs that crosscut the homeland security enterprise to which recipients should consider allocating funding across core capability gaps and national priorities. The following are enduring needs that help recipients implement a comprehensive approach to securing communities:

- 1) Effective planning;
- 2) Training and awareness campaigns;

- 3) Equipment and capital projects; and
- 4) Exercises.

### SHSP and UASI Funding Priorities

The table below provides a breakdown of the FY 2021 SHSP and UASI priorities (the focus of OPSG remains unique to border security), showing the core capabilities enhanced and lifelines supported, as well as examples of eligible project types for each area. A detailed description of allowable investments for each project type is included in the [Preparedness Grants Manual](#). DHS/FEMA anticipates that in future years, national priorities will continue to be included and will be updated as the threats evolve and as capability gaps are closed. Applicants are strongly encouraged to begin planning to sustain existing capabilities through funding mechanisms other than DHS preparedness grants.

### FY 2021 SHSP & UASI Funding Priorities

Priority Areas	Core Capabilities	Lifelines	Example Project Types
<b>National Priorities</b>			
Enhancing Cybersecurity	<ul style="list-style-type: none"> <li>• Cybersecurity</li> <li>• Intelligence and information sharing</li> <li>• Planning</li> <li>• Public information and warning</li> <li>• Operational coordination</li> <li>• Screening, search, and detection</li> <li>• Access control and identity verification</li> <li>• Supply chain integrity and security</li> <li>• Risk management for protection programs and activities</li> <li>• Long-term vulnerability reduction</li> <li>• Situational assessment</li> <li>• Infrastructure systems</li> <li>• Operational communications</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Cybersecurity risk assessments</li> <li>• Migrating online services to the “.gov” internet domain</li> <li>• Projects that address vulnerabilities identified in cybersecurity risk assessments <ul style="list-style-type: none"> <li>○ Improving cybersecurity of critical infrastructure to meet minimum levels identified by the Cybersecurity and Infrastructure Security Agency (CISA)</li> <li>○ Cybersecurity training and planning</li> </ul> </li> </ul>
Enhancing the Protection of Soft Targets/ Crowded Places	<ul style="list-style-type: none"> <li>• Operational coordination</li> <li>• Public information and warning</li> <li>• Intelligence and information sharing</li> <li>• Interdiction and disruption</li> <li>• Screening, search, and detection</li> <li>• Access control and identity verification</li> <li>• Physical protective measures</li> <li>• Risk management for protection programs and activities</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Operational overtime</li> <li>• Physical security enhancements <ul style="list-style-type: none"> <li>○ Closed-circuit television (CCTV) security cameras</li> <li>○ Security screening equipment for people and baggage</li> <li>○ Lighting</li> <li>○ Access controls</li> <li>○ Fencing, gates, barriers, etc.</li> </ul> </li> </ul>

Priority Areas	Core Capabilities	Lifelines	Example Project Types
Enhancing information and intelligence sharing and analysis, and cooperation with federal agencies, including DHS	<ul style="list-style-type: none"> <li>• Intelligence and information sharing</li> <li>• Interdiction and disruption</li> <li>• Planning</li> <li>• Public information and warning</li> <li>• Operational coordination</li> <li>• Risk management for protection programs and activities</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Fusion center operations (Fusion Center project will be required under this investment, no longer as a stand-alone investment)</li> <li>• Information sharing with all DHS components; fusion centers; other operational, investigative, and analytic entities; and other federal law enforcement and intelligence entities</li> <li>• Cooperation with DHS officials and other entities designated by DHS in intelligence, threat recognition, assessment, analysis, and mitigation</li> <li>• Identification, assessment, and reporting of threats of violence</li> <li>• Joint intelligence analysis training and planning with DHS officials and other entities designated by DHS</li> </ul>
Combating Domestic Violent Extremism	<ul style="list-style-type: none"> <li>• Interdiction and disruption</li> <li>• Screening, search and detection</li> <li>• Physical protective measures</li> <li>• Intelligence and information sharing</li> <li>• Planning</li> <li>• Public information and warning</li> <li>• Operational coordination</li> <li>• Risk management for protection programs and activities</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Open source analysis of misinformation campaigns, targeted violence and threats to life, including tips/leads, and online/social media-based threats</li> <li>• Sharing and leveraging intelligence and information, including open source analysis</li> <li>• Execution and management of threat assessment programs to identify, evaluate, and analyze indicators and behaviors indicative of domestic violent extremists</li> <li>• Training and awareness programs (e.g., through social media, suspicious activity reporting [SAR] indicators and behaviors) to help prevent radicalization</li> <li>• Training and awareness programs (e.g., through social media, SAR indicators and behaviors) to educate the public on misinformation campaigns and resources to help them identify and report potential instances of domestic violent extremism</li> </ul>
Addressing Emergent Threats, such as the activities of Transnational Criminal Organizations, open source threats, and threats from UAS and WMD	<ul style="list-style-type: none"> <li>• Interdiction &amp; disruption</li> <li>• Screening, search and detection</li> <li>• Physical protective measures</li> <li>• Intelligence and information sharing</li> <li>• Planning</li> <li>• Public Information and Warning</li> <li>• Operational Coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing and leveraging intelligence and information</li> <li>• UAS detection technologies</li> <li>• Enhancing WMD and/or improvised explosive device (IED) prevention, detection, response and recovery capabilities <ul style="list-style-type: none"> <li>○ Chemical/Biological/Radiological/Nuclear/Explosive (CBRNE) detection, prevention, response, and recovery equipment</li> </ul> </li> </ul>
<b>Enduring Needs</b>			
Planning	<ul style="list-style-type: none"> <li>• Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Development of: <ul style="list-style-type: none"> <li>○ Security Risk Management Plans</li> </ul> </li> </ul>

Priority Areas	Core Capabilities	Lifelines	Example Project Types
	<ul style="list-style-type: none"> <li>• Risk management for protection programs and activities</li> <li>• Risk and disaster resilience assessment</li> <li>• Threats and hazards identification</li> <li>• Operational coordination</li> <li>• Community resilience</li> </ul>		<ul style="list-style-type: none"> <li>○ Threat Mitigation Plans</li> <li>○ Continuity of Operations Plans</li> <li>○ Response Plans</li> <li>• Efforts to strengthen governance integration between/among regional partners</li> <li>• Joint training and planning with DHS officials and other entities designated by DHS</li> <li>• <u>Cybersecurity training and planning</u></li> </ul>
Training & Awareness	<ul style="list-style-type: none"> <li>• Long-term vulnerability reduction</li> <li>• Public information and warning</li> <li>• Operational coordination</li> <li>• Situational assessment</li> <li>• Community resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Active shooter training</li> <li>• Intelligence analyst training</li> <li>• SAR and terrorism indicators/behaviors training</li> <li>• Security training for employees</li> <li>• Public awareness/preparedness campaigns</li> <li>• Joint training and planning with DHS officials and other entities designated by DHS</li> <li>• <u>Cybersecurity training and planning</u></li> </ul>
Equipment & Capital Projects	<ul style="list-style-type: none"> <li>• Long-term vulnerability reduction</li> <li>• Infrastructure systems</li> <li>• Operational communications</li> <li>• Interdiction and disruption</li> <li>• Screening, search and detection</li> <li>• Access control and identity verification</li> <li>• Physical protective measures</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of high-risk, high-consequence areas or systems that have been identified through risk assessments</li> <li>• Physical security enhancements <ul style="list-style-type: none"> <li>○ Security cameras (CCTV)</li> <li>○ Security screening equipment for people and baggage</li> <li>○ Lighting</li> <li>○ Access Controls <ul style="list-style-type: none"> <li>▪ Fencing, gates, barriers, etc.</li> </ul> </li> </ul> </li> </ul>
Exercises	<ul style="list-style-type: none"> <li>• Long-term vulnerability reduction</li> <li>• Operational coordination</li> <li>• Operational communications</li> <li>• Community resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• Response exercises</li> </ul>

For FY 2021, each SHSP and UASI recipient is required to submit an Investment Justification (IJ) for *each* of the five National Priority Areas identified above. Each of these five investments must also account for at least the relevant minimum percentage of the applicant's SHSP and UASI allocation. The fusion center project must be included under the Information and Intelligence Sharing IJ. State Administrative Agencies (SAAs) may submit complete project-level information at the time of application, including the five National Priority Area IJs, but are not required to do so. As a reminder, all SHSP- and UASI-funded projects must have a demonstrated nexus to preventing, preparing for, protecting against, and responding to acts of terrorism. However, such projects may simultaneously support enhanced preparedness for disasters unrelated to acts of terrorism.

DHS/FEMA also requires SHSP and UASI recipients (states, territories, and high-risk urban areas) to complete a THIRA/SPR and prioritize grant funding to support closing capability gaps or sustaining capabilities that address national priorities and/or support enduring needs.

Additional information on the THIRA/SPR process, including other National Preparedness System (NPS) tools and resources, can be found at <https://www.fema.gov/national-preparedness-system>. Detailed information on THIRA/SPR timelines and deadlines can be found in the [Preparedness Grants Manual](#).

### OPSG Funding Priorities

The table below provides a breakdown of the FY 2021 OPSG funding priorities, which remain focused on and unique to border security.

#### FY 2021 OPSG Funding Priorities

Priority Areas	Core Capabilities	Lifelines	Example Project Types
<b>National Priorities</b>			
Enhancing information and intelligence sharing and analysis, and cooperation with federal agencies, including DHS	<ul style="list-style-type: none"> <li>Intelligence and information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>Participation in the DHS/ICE 287(g) training program</li> <li>Information sharing with all DHS components; fusion centers; other operational, investigative, and analytic entities; and other federal law enforcement and intelligence entities</li> <li>Cooperation with DHS officials and other entities designated by DHS in intelligence, threat recognition, assessment, analysis, and mitigation</li> <li>Identification, assessment, and reporting of threats of violence</li> <li>Joint intelligence analysis training and planning with DHS officials and other entities designated by DHS</li> </ul>
Addressing Emergent Threats, such as the activities of Transnational Criminal Organizations	<ul style="list-style-type: none"> <li>Interdiction &amp; disruption</li> <li>Screening, search and detection</li> <li>Physical protective measures</li> <li>Intelligence and information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>Operational overtime for border security operations as directed by the applicable, USBP-approved operations order</li> <li>Sharing and leveraging intelligence and information</li> </ul>

For FY 2021, each OPSG applicant is required to clearly articulate and identify how the Concept of Operations addresses *each* of the two national priorities identified above.

### 11. Performance Metrics

Performance metrics for this program:

SHSP and UASI:

- Percentage of funding allocated by the recipient to core capabilities to build or sustain national priorities identified in the section above

OPSG:

- Number of contacts that occurred as a result of OPSG deployments
  - Number of arrests that resulted from OPSG contacts
  - Value of drug seizures that resulted from OPSG contacts

**B. Federal Award Information**

1. Available Funding for the NOFO: **\$1,120,000,000.00**

HSGP Programs	FY 2021 Allocation
SHSP	\$415,000,000
UASI	\$615,000,000
OPSG	\$90,000,000
<b>Total</b>	<b>\$1,120,000,000</b>

**SHSP Allocations**

For FY 2021, DHS/FEMA will award SHSP funds based on DHS/FEMA’s relative risk methodology and statutory minimums pursuant to the *Homeland Security Act of 2002*, as amended. THIRA/SPR results do not impact grant allocation or award.

Each state and territory will receive a minimum allocation under the SHSP using thresholds established in the *Homeland Security Act of 2002*, as amended. All 50 States, the District of Columbia, and the Commonwealth of Puerto Rico will receive 0.35 percent of the total funds allocated for grants under Section 2003 and Section 2004 of the *Homeland Security Act of 2002*, as amended. Each of the four territories (American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands) will receive a minimum allocation of 0.08 percent of the total funds allocated for grants under Section 2003 and 2004 of the *Homeland Security Act of 2002*, as amended.

Each state must include a separate IJ for each of the five National Priority Areas identified in the Priorities section, above. **All projects related to the National Priority Area must be included in the IJ.** The funding level in each National Priority Area investment **must equal or exceed** the percentage for that respective National Priority Area, calculated as a percentage of the state’s SHSP allocation in the table below.

**FY 2021 SHSP ALLOCATIONS**

State/Territory	FY 2021 Allocation	State/Territory	FY 2021 Allocation
Alabama	\$4,602,500	Montana	\$4,602,500
Alaska	\$4,602,500	Nebraska	\$4,602,500
American Samoa	\$1,052,000	Nevada	\$4,602,500
Arizona	\$4,602,500	New Hampshire	\$4,602,500
Arkansas	\$4,602,500	New Jersey	\$7,345,897
California	\$59,220,807	New Mexico	\$4,602,500
Colorado	\$4,602,500	New York	\$70,639,800

State/Territory	FY 2021 Allocation	State/Territory	FY 2021 Allocation
Connecticut	\$4,602,500	North Carolina	\$5,280,222
Delaware	\$4,602,500	North Dakota	\$4,602,500
District of Columbia	\$5,280,222	Northern Mariana Islands	\$1,052,000
Florida	\$9,701,894	Ohio	\$6,428,138
Georgia	\$5,491,278	Oklahoma	\$4,602,500
Guam	\$1,052,000	Oregon	\$4,602,500
Hawaii	\$4,602,500	Pennsylvania	\$8,447,973
Idaho	\$4,602,500	Puerto Rico	\$4,602,500
Illinois	\$14,427,260	Rhode Island	\$4,602,500
Indiana	\$4,602,500	South Carolina	\$4,602,500
Iowa	\$4,602,500	South Dakota	\$4,602,500
Kansas	\$4,602,500	Tennessee	\$4,602,500
Kentucky	\$4,602,500	Texas	\$18,908,141
Louisiana	\$4,602,500	U.S. Virgin Islands	\$1,052,000
Maine	\$4,602,500	Utah	\$4,602,500
Maryland	\$7,345,897	Vermont	\$4,602,500
Massachusetts	\$6,428,138	Virginia	\$8,447,973
Michigan	\$5,280,222	Washington	\$6,428,138
Minnesota	\$4,602,500	West Virginia	\$4,602,500
Mississippi	\$4,602,500	Wisconsin	\$4,602,500
Missouri	\$4,602,500	Wyoming	\$4,602,500
<b>Total</b>			<b>\$415,000,000</b>

### **UASI Allocations**

Eligible candidates for the FY 2021 UASI program are identified in the table below. Eligibility has been determined through an analysis of relative risk of terrorism faced by the 100 most populous Metropolitan Statistical Areas (MSAs) in the United States, in accordance with the *Homeland Security Act of 2002*, as amended. Detailed information on MSAs is publicly available from the United States Census Bureau at <https://www.census.gov/programs-surveys/metro-micro.html>. THIRA/SPR results do not impact grant allocation or award.

The following table identifies the UASI allocations for each high-risk urban area based on DHS/FEMA's relative risk methodology pursuant to the *Homeland Security Act of 2002*, as amended.

In its application, each high-risk urban area, through the state, must include a separate IJ for each of the five National Priority Areas identified in the Priorities section, above. **All projects related to the National Priority Area must be included in the IJ.** The funding level in each National Priority Area investment **must equal or exceed** the percentage for that respective National Priority Area, calculated as a percentage of the urban area's UASI allocation in the table below.



## 2021 UASI ALLOCATIONS

State/Territory	Urban Area	FY 2021 UASI Allocation
Arizona	Phoenix Area	\$5,250,000
California	Anaheim/Santa Ana Area	\$5,250,000
	Bay Area	\$37,500,000
	Los Angeles/Long Beach Area	\$68,000,000
	Riverside Area	\$3,900,000
	Sacramento Area	\$3,800,000
	San Diego Area	\$16,900,000
Colorado	Denver Area	\$3,900,000
District of Columbia	National Capital Region	\$51,750,000
Florida	Miami/Fort Lauderdale Area	\$14,750,000
	Orlando Area	\$3,800,000
	Tampa Area	\$3,800,000
Georgia	Atlanta Area	\$6,250,000
Hawaii	Honolulu Area	\$3,800,000
Illinois	Chicago Area	\$68,000,000
Maryland	Baltimore Area	\$4,250,000
Massachusetts	Boston Area	\$16,900,000
Michigan	Detroit Area	\$5,250,000
Minnesota	Twin Cities Area	\$5,250,000
Missouri	St. Louis Area	\$3,800,000
Nevada	Las Vegas Area	\$5,250,000
New Jersey	Jersey City/Newark Area	\$19,050,000
New York	New York City Area	\$178,750,000
North Carolina	Charlotte Area	\$3,800,000
Oregon	Portland Area	\$3,800,000
Pennsylvania	Philadelphia Area	\$16,900,000
Texas	Dallas/Fort Worth/Arlington Area	\$16,900,000
	Houston Area	\$24,600,000
	San Antonio Area	\$3,800,000
Virginia	Hampton Roads Area	\$3,800,000
Washington	Seattle Area	\$6,250,000
<b>Total</b>		<b>\$615,000,000</b>

**OPSG Allocations**

For FY 2021, DHS/FEMA will award OPSG funds based on risk and the anticipated effectiveness of the proposed use of grant funds upon completion of the application review process. The FY 2021 OPSG risk assessment is designed to identify the risk to border security and to assist with the distribution of funds for the grant program. Funding under OPSG is distributed based on the risk to the security of the border and the effectiveness of the proposed projects. Entities eligible for funding are the state, local, and tribal law

enforcement agencies that are located along the border of the United States. DHS/FEMA will make final award determinations based upon a review of the anticipated effectiveness of the state's application as described in Section D, below. The THIRA/SPR process is not required for OPSG.

For the purposes of OPSG, the risk is defined as the potential for an adverse outcome assessed as a function of threats, vulnerabilities, and consequences associated with an incident, event, or occurrence.

Based upon ongoing intelligence analysis and extensive security reviews, DHS/CBP continues to focus the bulk of OPSG funds based upon risk analyses. The risk model used to allocate OPSG funds considers the potential risk that certain threats pose to border security and estimates the relative risk faced by a given area. In evaluating risk, DHS/CBP considers intelligence, situational awareness, criminal trends, and statistical data specific to each of the border sectors, and the potential impacts that these threats pose to the security of the border area. For vulnerability and consequence, DHS/CBP considers the expected impact and consequences of successful border events occurring in specific areas.

Threat and vulnerability are evaluated based on specific operational data from DHS/CBP. Threat components present in each of the sectors are used to determine the overall threat score. These components are terrorism, criminal aliens, drug trafficking organizations, and alien smuggling organizations.

Effectiveness of the proposed investments will be evaluated based on the recipient's investment strategy, budget, collaboration, and past performance.

2. Projected Number of Awards: **56**
3. Period of Performance: **36 months**

Extensions to the period of performance are allowed. For additional information on period of performance extensions, please refer to Section H of this NOFO and the [Preparedness Grants Manual](#).

FEMA awards under this program only include one budget period, so it will be same as the period of performance. *See* 2 C.F.R. § 200.1 for definitions of "budget period" and "period of performance."

4. Projected Period of Performance Start Date(s): **10/01/2021**
5. Projected Period of Performance End Date(s): **09/30/2024**
6. Funding Instrument Type: **Grant**

### **C. Eligibility Information**

#### **1. Eligible Applicants**

The SAA is the only entity eligible to submit HSGP applications to DHS/FEMA, including

those applications submitted on behalf of UASI and OPSG applicants. All 56 states and territories, including any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, are eligible to apply for SHSP funds. Tribal governments may not apply directly for HSGP funding; however, funding may be available to tribes under the SHSP and OPSG through the SAA.

## 2. Applicant Eligibility Criteria

Eligible high-risk urban areas for the FY 2021 UASI program have been determined through an analysis of relative risk of terrorism faced by the 100 most populous MSAs in the United States. Subawards will be made by the SAAs to the designated high-risk urban areas.

In FY 2021, OPSG eligible subrecipients are local units of government at the county level or equivalent level of government and federally recognized tribal governments in states bordering Canada or Mexico and states and territories with international water borders. All applicants must have active ongoing USBP operations coordinated through a CBP sector office to be eligible for OPSG funding.

In FY 2021, OPSG subrecipients eligible to apply for and receive a subaward directly from the SAAs are divided into three Tiers. Tier 1 entities are local units of government at the county level or equivalent and federally recognized tribal governments that are on a physical border in states bordering Canada, states bordering Mexico, and states and territories with international water borders. Tier 2 eligible subrecipients are those not located on the physical border or international water but are contiguous to a Tier 1 county. Tier 3 eligible subrecipients are those not located on the physical border or international water but are contiguous to a Tier 2 eligible subrecipient. The tier structure is only applicable with regard to eligibility. OPSG funding allocations are based on the assessed border security risks as determined by the USBP.

An application submitted by an otherwise eligible non-federal entity (i.e., the applicant) may be deemed ineligible when the person that submitted the application is not: 1) a ***current employee, personnel, official, staff, or leadership*** of the non-federal entity; and 2) ***duly authorized to apply*** for an award on behalf of the non-federal entity at the time of application.

Further, the Authorized Organization Representative (AOR) must be a duly authorized current employee, personnel, official, staff, or leadership of the recipient and ***provide an email address unique to the recipient at the time of application and upon any change in assignment during the period of performance. Consultants or contractors of the recipient are not permitted to be the AOR of the recipient.***

## 3. Other Eligibility Criteria

### a. ***National Incident Management System (NIMS) Implementation***

Prior to allocation of any federal preparedness awards, recipients must ensure and maintain adoption and implementation of NIMS. The list of objectives used for progress and

achievement reporting is on FEMA's website at <https://www.fema.gov/emergency-managers/nims/implementation-training>.

Please see the [Preparedness Grants Manual](#) for more information on NIMS.

**b. *Emergency Management Assistance Compact (EMAC) Membership***

In support of the National Preparedness Goal (the Goal), SHSP recipients must belong to, be in, or act as a temporary member of EMAC, except for American Samoa and the Commonwealth of the Northern Mariana Islands, which are not required to belong to EMAC at this time. All assets supported in part or entirely with FY 2021 HSGP funding must be readily deployable and NIMS-typed when possible to support emergency or disaster operations per existing EMAC agreements. In addition, funding may be used for the sustainment of core capabilities that, while they may not be physically deployable, support national response capabilities, such as Geographic/Geospatial Information Systems (GIS), interoperable communications systems, capabilities as defined under the Mitigation Mission Area of the Goal, and fusion centers.

**c. *Law Enforcement Terrorism Prevention Activities (LETPA)***

Per section 2006 of the *Homeland Security Act of 2002*, as amended (6 U.S.C. § 607), DHS/FEMA is required to ensure that at least 25 percent of grant funding appropriated for grants awarded under HSGP's authorizing statute are used for LETPAs. DHS/FEMA meets this requirement, in part, by requiring all recipients allocate at least 25 percent of the combined HSGP funds allocated under SHSP and UASI towards LETPAs, as defined in 6 U.S.C. § 607. The LETPA allocation can be from SHSP, UASI, or both. The 25 percent LETPA allocation may be met by funding projects in any combination of the five National Priority Areas identified above and any other investments. The 25 percent LETPA allocation requirement is in addition to the 80 percent pass-through requirement to local units of government and tribes, referenced below.

The [National Prevention Framework](#) describes those activities that should be executed upon the discovery of intelligence or information regarding an imminent threat to the homeland, to thwart an initial or follow-on terrorist attack and provides guidance to ensure the Nation is prepared to identify, prevent, avoid, or stop a threatened or actual act of terrorism. Activities outlined in the National Prevention Framework are eligible for use as LETPA-focused funds. Also, where capabilities are shared with the protection mission area, the National Protection Framework activities are also eligible. All other terrorism prevention activities proposed for funding under LETPA must be approved by the FEMA Administrator.

**4. Cost Share or Match**

There is no cost share or match requirement for the FY 2021 HSGP.

**D. Application and Submission Information**

**1. Key Dates and Times**

**a. *Application Start Date:*** 02/25/2021

**b. Application Submission Deadline:** 05/14/2021 at 05 PM ET

All applications **must** be received by the established deadline.

The Non-Disaster (ND) Grants System has a date stamp that indicates when an application is submitted. Applicants will receive an electronic message confirming receipt of their submission. For additional information on how an applicant will be notified of application receipt, see the subsection titled “Timely Receipt Requirements and Proof of Timely Submission” in Section D of this NOFO.

**FEMA will not review applications that are received after the deadline or consider these late applications for funding.** FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant’s control that prevent submission of the application by the deadline, other exigent or emergency circumstances, or statutory requirements for FEMA to make an award.

**Applicants experiencing technical problems outside of their control must notify FEMA as soon as possible and before the application deadline.** Failure to timely notify FEMA of the issue that prevented the timely filing of the application may preclude consideration of the award. “Timely notification” of FEMA means: prior to the application deadline and within 48 hours after the applicant became aware of the issue.

A list of FEMA contacts can be found in Section G of this NOFO, “DHS Awarding Agency Contact Information.” For additional assistance using the ND Grants System, please contact the ND Grants Service Desk at (800) 865-4076 or [NDGrants@fema.dhs.gov](mailto:NDGrants@fema.dhs.gov). The ND Grants Service Desk is available Monday through Friday, 9:00 AM – 6:00 PM Eastern Time (ET). For programmatic or grants management questions, please contact your Program Analyst or Grants Specialist. If applicants do not know who to contact or if there are programmatic questions or concerns, please contact the Centralized Scheduling and Information Desk (CSID) by phone at (800) 368-6498 or by e-mail at [askcsid@fema.dhs.gov](mailto:askcsid@fema.dhs.gov), Monday through Friday, 9 AM – 5 PM ET.

**c. Anticipated Funding Selection Date:** No later than 07/16/2021

**d. Anticipated Award Date:** No later than 09/30/2021

**e. Other Key Dates:**

<b>Event</b>	<b>Suggested Deadline for Completion</b>
Obtaining DUNS Number	Four weeks before actual submission deadline
Obtaining a valid EIN	Four weeks before actual submission deadline
Creating an account with login.gov	Four weeks before actual submission deadline
Registering in SAM or Updating SAM registration	Four weeks before actual submission deadline
Registering in Grants.gov	Four weeks before actual submission deadline

Starting application in Grants.gov	One week before actual submission deadline
Submitting the final application in ND Grants	By the submission deadline

## 2. Agreeing to Terms and Conditions of the Award

By submitting an application, applicants agree to comply with the requirements of this NOFO and the terms and conditions of the award, should they receive an award.

## 3. Address to Request Application Package

See the [Preparedness Grants Manual](#) for requesting and submitting an application.

Initial applications are processed through the [Grants.gov](#) portal. Final applications are completed and submitted through FEMA’s ND Grants System. Application forms and instructions are available at Grants.gov. To access these materials, go to <http://www.grants.gov>.

Hard copies of the NOFO can be downloaded at [Grants.gov](#) or obtained via email from the Awarding Office points of contact listed in Section G of this NOFO, “DHS Awarding Agency Contact Information” or by TTY (800) 462-7585.

## 4. Steps Required to Obtain a Unique Entity Identifier, Register in the System for Award Management (SAM), and Submit an Application

Applying for an award under this program is a multi-step process and requires time to complete. Applicants are encouraged to register early as the registration process can take four weeks or more to complete. Therefore, registration should be done in sufficient time to ensure it does not impact your ability to meet required submission deadlines.

Please review the table above for estimated deadlines to complete each of the steps listed. Failure of an applicant to comply with any of the required steps before the deadline for submitting an application may disqualify that application from funding.

To apply for an award under this program, all applicants must:

- a. Apply for, update, or verify their Data Universal Numbering System (DUNS) number from Dun & Bradstreet and Employer Identification Number (EIN) from the Internal Revenue Service;
- b. In the application, provide a valid DUNS number, which is currently the unique entity identifier;
- c. Have an account with [login.gov](#);
- d. Register for, update, or verify their SAM account and ensure the account is active before submitting the application;
- e. Create a Grants.gov account;
- f. Add a profile to a Grants.gov account;
- g. Establish an AOR in Grants.gov;
- h. Register in ND Grants
- i. Submit an initial application in Grants.gov;

- j. Submit the final application in ND Grants, including electronically signing applicable forms; and**
- k. Continue to maintain an active SAM registration with current information at all times during which it has an active federal award or an application or plan under consideration by a federal awarding agency. As part of this, applicants must also provide information on an applicant's immediate and highest-level owner and subsidiaries, as well as on all predecessors that have been awarded federal contracts or federal financial assistance within the last three years, if applicable.

Specific instructions on how to apply for, update, or verify a DUNS number or SAM registration or establish an AOR are included below in the steps for applying through Grants.gov.

Applicants are advised that FEMA may not make a federal award until the applicant has complied with all applicable DUNS and SAM requirements. Therefore, an applicant's SAM registration must be active not only at the time of application, but also during the application review period and when FEMA is ready to make a federal award. Further, as noted above, an applicant's or recipient's SAM registration must remain active for the duration of an active federal award. If an applicant's SAM registration is expired at the time of application, expires during application review, or expires any other time before award, FEMA may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant.

Per 2 C.F.R. § 25.110(c)(2)(ii), if an applicant is experiencing exigent circumstances that prevents it from receiving a DUNS number and completing SAM registration prior to receiving a federal award, the applicant must notify FEMA as soon as possible by contacting [askcsid@fema.dhs.gov](mailto:askcsid@fema.dhs.gov) and providing the details of the circumstances that prevent completion of these requirements. If FEMA determines that there are exigent circumstances and FEMA has decided to make an award, the applicant will be required to obtain a DUNS number and complete SAM registration within 30 days of the federal award date.

## **5. Electronic Delivery**

DHS is participating in the Grants.gov initiative to provide the grant community with a single site to find and apply for grant funding opportunities. DHS encourages or requires applicants to submit their applications online through Grants.gov, depending on the funding opportunity.

For this funding opportunity, FEMA requires applicants to submit initial applications through Grants.gov and a final application through ND Grants.

## **6. How to Register to Apply through Grants.gov**

For information on how to register to apply through Grants.gov, please see the [Preparedness Grants Manual](#).

## **7. How to Submit an Initial Application to FEMA via Grants.gov**

Standard Form 424 (SF-424) is the initial application for this NOFO.

Grants.gov applicants can apply online using a workspace. A workspace is a shared, online environment where members of a grant team may simultaneously access and edit different web forms within an application. For each Notice of Funding Opportunity, you can create individual instances of a workspace. Applicants are encouraged to submit their initial applications in Grants.gov at least seven days before the application deadline.

In Grants.gov, applicants need to submit the following forms:

- SF-424, Application for Federal Assistance
- Grants.gov Lobbying Form, Certification Regarding Lobbying

For further information on how to submit an initial application via Grants.gov, please see the [Preparedness Grants Manual](#).

## 8. Submitting the Final Application in ND Grants

After submitting the initial application in Grants.gov, eligible applicants will be notified by FEMA and asked to proceed with submitting their complete application package in ND Grants. Applicants can register early with ND Grants and are encouraged to begin their ND Grants registration at the time of this announcement or, at the latest, seven days before the application deadline. Early registration will allow applicants to have adequate time to start and complete their applications.

Applicants needing assistance registering for the ND Grants system should contact [ndgrants@fema.dhs.gov](mailto:ndgrants@fema.dhs.gov) or (800) 865-4076. For step-by-step directions on using the ND Grants system and other guides, please see <https://www.fema.gov/grants/guidance-tools/non-disaster-grants-management-system>.

In ND Grants, applicants will be prompted to submit the standard application information and any program-specific information required as described in Section D.10 of this NOFO, “Content and Form of Application Submission.”. The Standard Forms (SF) are auto generated in ND Grants, but applicants may access these forms in advance through the Forms tab under the [SF-424 family on Grants.gov](#). Applicants should review these forms before applying to ensure they have all the information required.

For additional application submission requirements, including program-specific requirements, please refer to the subsection titled “Content and Form of Application Submission” under Section D of this NOFO.

## 9. Timely Receipt Requirements and Proof of Timely Submission

As application submission is a two-step process, the applicant with the AOR role who submitted the application in Grants.gov will receive an acknowledgement of receipt and a tracking number (GRANTXXXXXXXX) from Grants.gov with the successful transmission of its initial application. **This notification does not serve as proof of timely submission, as the application is not complete until it is submitted in ND Grants.** Applicants can also view the ND Grants Agency Tracking Number by accessing the Details tab in the submitted workspace section in Grants.gov, under the Agency Tracking Number column. Should the Agency Tracking Number not appear, the application has not yet migrated from Grants.gov



into the ND Grants System. Please allow 24 hours for your ND Grants application tracking number to migrate.

All applications must be received in ND Grants by **5 PM ET** on the application deadline. Proof of timely submission is automatically recorded by ND Grants. An electronic date/time stamp is generated within the system when the application is successfully received by ND Grants. Additionally, the applicant(s) listed as contacts on the application will receive a system-generated email to confirm receipt.

## 10. Content and Form of Application Submission

### a. *Standard Required Application Forms and Information*

#### I. GRANTS.GOV

- **SF-424, Application for Federal Assistance**, initial application submitted through Grants.gov
- **Grants.gov Lobbying Form, Certification Regarding Lobbying**, submitted through Grants.gov

#### II. ND GRANTS

- **SF-424A, Budget Information (Non-Construction)**, submitted via the forms generated by ND Grants
  - **For construction under an award, submit SF-424C, Budget Information (Construction)**, submitted via the forms generated by ND Grants, in addition to or instead of SF-424A
- **SF-424B, Standard Assurances (Non-Construction)**, submitted via the forms generated by ND Grants
  - **For construction under an award, submit SF-424D, Standard Assurances (Construction)**, submitted via the forms generated by ND Grants, in addition to or instead of SF-424B
- **SF-LLL, Disclosure of Lobbying Activities**, submitted via the forms generated by ND Grants
- **Indirect Cost Agreement or Proposal**, submitted as an attachment in ND Grants if the budget includes indirect costs and the applicant is required to have an indirect cost rate agreement or proposal. If the applicant does not have or is not required to have an indirect cost rate agreement or proposal, please see Section D.13 of this NOFO, “Funding Restrictions and Allowable Costs,” for further information regarding allowability of indirect costs and whether alternatives to an indirect cost rate agreement or proposal might be available, or contact the relevant FEMA staff identified in Section G of this NOFO, “DHS Awarding Agency Contact Information” for further instructions.

Generally, applicants have to submit either the non-construction forms (i.e., SF-424A and SF-424B) or construction forms (i.e., SF-424C and SF-424D), meaning that applicants that only have construction work and do not have any non-construction work need only submit the construction forms (i.e., SF-424C and SF-424D) and not the non-construction forms (i.e., SF-424A and SF-424B), and vice versa. However, applicants who have both construction and non-construction work under this program need to submit both the construction and non-construction forms.

**b. Program-Specific Required Forms and Information**

**i. IJ DEVELOPMENT: SHSP AND UASI**

As part of the FY 2021 HSGP application process for SHSP and UASI funds, applicants must develop formal IJs that address the proposed investments. Failure to fulfill all of the terms contained in this section will be considered by DHS/FEMA in its evaluation of the effectiveness of the IJs submitted to meet the minimum percent spend requirement for each National Priority Area. Failure to sufficiently align projects to the National Priority Areas and meet the minimum percent spend requirement will result in funds being placed on hold until those issues are addressed.

FY 2021 SHSP and UASI applications must include one (1) IJ and at least one (1) respective project for each of the five National Priority Areas (Cybersecurity, Soft Targets/Crowded Places, Intelligence and Information Sharing, Countering Domestic Violent Extremism, and Emerging Threats) identified in this NOFO. Each of these five IJs must also meet or exceed the minimum percent spend requirement based on the applicant's SHSP and UASI allocation stated in this NOFO. **The SAA must submit one IJ per National Priority Area; all projects associated with a National Priority Area must be submitted in the same IJ and account for the relevant minimum spend requirement as a percentage of the SHSP or UASI allocation.** SAAs may submit complete project-level information at the time of application but are not required to do so at the time of application. However, any SHSP or UASI application that does not include an IJ for each National Priority Area that meets the minimum spend requirement will have that funding placed on hold (up to the National Priority Area, or up to 30 percent of the total award) until those IJs and project-level details that sufficiently address the National Priority Areas are received and approved by DHS/FEMA.

Each IJ must *demonstrate* how proposed investments:

- Support terrorism preparedness;
- Support closing capability gaps or sustaining capabilities identified in the community's THIRA/SPR process; and
- Support the overcoming of existing logistical, technological, legal, policy, and other impediments to collaborating, networking, sharing information, cooperating, and fostering a culture of national preparedness with federal, state, tribal, and local governments, as well as other regional, and nonprofit partners in efforts to prevent, prepare for, protect against, and respond to acts of terrorism, to meet its target capabilities, support the national security mission of DHS and other federal agencies, and to otherwise reduce the overall risk to the high-risk urban area, the state, or the Nation.

Each IJ must *explain* how the proposed investments will support the applicant's efforts to:

- Prevent a threatened or an actual act of terrorism;
- Prepare for all hazards and threats, while explaining the nexus to terrorism preparedness;
- Protect citizens, residents, visitors, and assets against the greatest threats and hazards, relating to acts of terrorism; and/or

- Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of an act of terrorism or other catastrophic incidents.

If not included in the application, SHSP and UASI recipients must submit complete project-level information for each SHSP and UASI IJ as part of the Biannual Strategy Implementation Report (BSIR) due by January 30, 2022. This includes IJs for the five National Priority Areas.

DHS/FEMA will evaluate the effectiveness of the projects submitted in support of the National Priority Areas, either at the time of application or as part of the December 2021 BSIR. DHS/FEMA will not reduce FY 2021 HSGP awards based on the effectiveness review but will work with recipients to ensure compliance with the National Priority Area requirements based on the results of the effectiveness review. Recipients and subrecipients will not be permitted to expend funding under the National Priority Areas until the effectiveness of the proposed projects has been reviewed and confirmed by FEMA.

## II. DEVELOPMENT OF INVESTMENTS AND PROJECTS: SHSP

- Applicants must propose at least five and may include up to ten investments.
- Within each investment, applicants must propose at least one project to describe the activities they plan to implement with SHSP funds. There is no limit to the number of projects that may be submitted.
- Required National Priority Area IJs must include the name of the priority in the investment name for easy identification.
- Of the proposed SHSP-funded investments, one single project, within the required Intelligence and Information Sharing National Priority Area IJ, must be in support of a designated fusion center. Recipients must coordinate with the fusion center when developing a fusion center project prior to submission. See additional information on how to develop the fusion center projects below and in the [Preparedness Grants Manual](#).
- All emergency communications investments must describe how such activities align with needs identified in their Statewide Communication Interoperability Plan (SCIP). Recipients must coordinate with their Statewide Interoperability Coordinator (SWIC) and/or Statewide Interoperability Governing Body (SIGB) when developing an emergency communications investment prior to submission to ensure the project supports the statewide strategy to improve emergency communications and is compatible and interoperable with surrounding systems. The investment name must include the words “emergency communications” to easily identify any emergency communications investments.
- All requested funding must be associated with specific projects. For each project, several pieces of information must be provided to submit the project for consideration in the application, including:
  - Project name;
  - Project description;
  - Subrecipient name, if applicable;
  - Recipient type (e.g., state or local);
  - Project location (zip code of the primary location of the project);
  - Primary core capability the project supports;

- Whether the project activities are shareable and deployable; and
- Which National Priority Area (if any) the project supports.
- Projects should describe how the proposed investment supports closing capability gaps or sustaining capabilities identified in the THIRA/SPR process.
- FEMA encourages states to use any DHS provided assessments, such as those performed by DHS's Protective Security Advisors and Cybersecurity Advisors, when developing their IJs.

### III. NATIONAL PRIORITY AREA INVESTMENTS: SHSP

States are encouraged to review the [Strategic Framework for Countering Terrorism and Targeted Violence](#) when developing investments.

- **Cybersecurity IJ (7.5 percent)**

At least one investment must be in support of the state's cybersecurity efforts. The investment must meet or exceed the FY 2021 national priority percentage for cybersecurity and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments. Cybersecurity investments must support the security and functioning of critical infrastructure and core capabilities as they relate to preventing, preparing for, protecting against, or responding to acts of terrorism. Recipients and subrecipients of FY 2021 HSGP grant awards will be required to complete the 2021 [Nationwide Cybersecurity Review](#) (NCSR), enabling agencies to benchmark and measure progress of improving their cybersecurity posture. The Chief Information Officer (CIO), Chief Information Security Officer (CISO) or equivalent for each recipient should complete the NCSR. If there is no CIO or CISO, the most senior cybersecurity professional should complete the assessment. The NCSR is available at no cost to the user and takes approximately 2-3 hours to complete. The 2021 NCSR is estimated to be open from October – December 2021.

The NCSR is an annual requirement for recipients and subrecipients of HSGP funds. Additionally, FEMA recognizes that some subawards will not be issued until after the NCSR has closed. In such cases, such subrecipients will be required to complete the first available NCSR offered after the subaward has been issued by the pass-through entity. Although not required by SLTTs that did not receive HSGP funds, all SLTT agencies with preparedness responsibilities are highly encouraged to participate and complete the NCSR to evaluate their cybersecurity posture. For detailed information and background on the NCSR, please see [IB 439](#).

- **Soft Targets/Crowded Places IJ (5 percent)**

Soft targets and crowded places are increasingly appealing to terrorists and other extremist actors because of their relative accessibility and the large number of potential targets. This challenge is complicated by the prevalent use of simple tactics and less sophisticated attacks. Segments of our society are inherently open to the general public, and by nature of their purpose do not incorporate strict security measures. Given the increased emphasis by terrorists and other extremist actors to leverage less sophisticated methods to inflict harm in public areas, it is vital that the public and private sectors

collaborate to enhance security of locations such as transportation centers, parks, restaurants, shopping centers, special event venues, and similar facilities.

Given the increased risk to soft targets and crowded places, at least one investment must be in support of the state's efforts to protect soft targets/crowded places. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for soft targets/crowded places and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments. Additional resources and information regarding securing soft targets and crowded places are available through the [Cybersecurity and Infrastructure Security Agency](#). States are encouraged to engage DHS' Protective Security Advisors' security assessments of soft targets to ensure that recommendations from those assessments are taken into consideration when allocating grant funding.

- **Information and Intelligence Sharing and Cooperation IJ (5 percent)**

Effective homeland security operations rely on access to, analysis of, and the timely sharing of open source, unclassified, and classified information, suspicious activity reports, tips/leads, and actionable intelligence on indicators and behaviors to accurately identify, assess, and mitigate a wide array of threats against the United States, including terrorism, threats to life, targeted violence, and other threats within the DHS mission space. Accordingly, DHS works diligently to enhance intelligence collection, integration, analysis, and information sharing capabilities to ensure partners, stakeholders, and senior leaders receive actionable intelligence and information necessary to inform their decisions and operations. A critical and statutorily charged mission of DHS is to deliver intelligence and information to federal, state, local, and tribal governments and private sector partners. Cooperation and information sharing among state, federal, and local partners across all areas of the homeland security enterprise, including counterterrorism – including both international and domestic terrorism, cybersecurity, border security, transnational organized crime, immigration enforcement, economic security, and other areas is critical to homeland security operations and the prevention of, preparation for, protection against, and responding to acts of terrorism, and other threats to life and criminal acts of targeted violence.

Given the importance of information sharing and collaboration to effective homeland security solutions, at least one investment must be in support of the state's efforts to enhance information sharing and cooperation with DHS and other federal agencies. As noted above, this requirement must include at least one dedicated fusion center project. Additional instructions on development of the fusion center project can be found below. Applicants must justify persuasively how they will contribute to the information sharing and collaboration purposes of the investment and a culture of national preparedness. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for information sharing and cooperation with DHS and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments. Additional resources and information regarding collaboration and information sharing are available through the Department's [Office of Intelligence and Analysis](#).

- **Domestic Violent Extremism IJ (7.5 percent)**

As stated in the October 2020 DHS Homeland Threat Assessment, domestic violent extremists, including ideologically motivated lone offenders and small groups, present the most persistent and lethal terrorist threat to the Homeland. These violent extremists capitalize on social and political tensions, which have resulted in an elevated threat environment. They utilize social media platforms and other technologies to spread violent extremist ideologies that encourage violence and influence action within the United States. The COVID-19 pandemic has further created an environment that may lead to accelerated mobilization to targeted violence and/or radicalization to domestic terrorism, including driving lawful protests to incite violence, intimidate targets, and promote their violent extremist ideologies.

Given the rise of domestic violent extremism in recent years, at least one investment must be in support of the state's efforts to combat the rise, influence, and spread of domestic violent extremism. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for domestic violent extremism and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments.

**Please note** that there currently is not a "Domestic Violent Extremism" Investment Type option in the Grant Reporting Tool (GRT). Instead applicants should select the "Standard" Investment Type and clearly name the IJ as "Domestic Violent Extremism Priority Area" to ensure it is appropriately accounted for during FEMA's administrative and effectiveness reviews.

- **Emerging Threats IJ (5 percent)**

The spread of rapidly evolving and innovative technology, equipment, techniques, and knowledge presents new and emerging dangers for homeland security in the years ahead. Terrorists, criminal actors, and foreign adversaries continue to utilize open source and other technologies to spread misinformation and sow discord in the United States. These actors also remain intent on acquiring WMD capabilities, and rogue nations and non-state actors are aggressively working to develop, acquire, and modernize WMDs that they could use against the Homeland. Meanwhile, biological and chemical materials and technologies with dual use capabilities are more accessible throughout the global market. Due to the proliferation of such information and technologies, rogue nations and non-state actors have more opportunities to develop, acquire, and use WMDs than ever before. Similarly, the proliferation of UASs, artificial intelligence, and biotechnology increase opportunities of threat actors to acquire and use these capabilities against the United States and its interests.

Given the increased risk of these emerging threats, at least one investment must be in support of the state's efforts to address emerging threats. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for emerging threats and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments. Additional resources and information regarding emerging threats are available through the [Countering Weapons of Mass Destruction Office](#) and the [Cybersecurity and Infrastructure Security Agency](#).

#### IV. **DEVELOPMENT OF INVESTMENTS AND PROJECTS: UASI**

- Applicants must propose at least five and may include up to ten investments.
- Within each investment, urban areas must propose at least one project to describe the activities they are planning to implement with UASI funds. There is no limit to the number of projects that may be submitted.
- Required National Priority Area IJs must include the name of the priority in the investment name for easy identification.
- Of the proposed projects, urban areas are required to propose one single project, as part of the required intelligence and information sharing IJ, in support of a designated fusion center within the urban area, if applicable. Recipients must coordinate with the fusion center when developing a fusion center project prior to submission. See additional information on how to develop fusion center investments below and in the [Preparedness Grants Manual](#).
- All emergency communications investments must describe how such activities align with the needs identified in their SCIP. Recipients must coordinate with their SWIC and/or SIGB when developing an emergency communications investment prior to submission to ensure the project supports the statewide strategy to improve emergency communications and is compatible and interoperable with surrounding systems. The investment name must include the words “emergency communications” to easily identify any emergency communications investments.
- All requested funding must be associated with specific projects. For each project, several pieces of information must be provided to submit the project for consideration in the application, including:
  - Project name;
  - Project description
  - Subrecipient name, if applicable;
  - Recipient type (e.g., state or local);
  - Project location (zip code of the primary location of the project);
  - Primary core capability the project supports;
  - Whether the project activities are shareable and deployable; and
  - Which National Priority Area (if any) the project supports.
- Projects should describe how the proposed investment supports closing capability gaps or sustaining capabilities identified in the THIRA/SPR process.
- FEMA encourages states to use any DHS provided assessments, such as those performed by DHS’s Protective Security Advisors and Cybersecurity Advisors, when developing their IJs.

#### V. **PRIORITY INVESTMENTS: UASI**

High-risk urban areas are encouraged to review the [Strategic Framework for Countering Terrorism and Targeted Violence](#) when developing investments.

- **Cybersecurity IJ (7.5 percent)**  
At least one investment must be in support of the urban area’s cybersecurity efforts. The investment must meet or exceed the FY 2021 national priority percentage for cybersecurity and will also be subject to DHS/FEMA’s evaluation of the effectiveness of the proposed investments. Cybersecurity investments must support the security and

functioning of critical infrastructure and core capabilities as they relate to preventing, preparing for, protecting against, or responding to acts of terrorism. Recipients and subrecipients of FY 2021 HSGP awards will be required to complete the 2021 [Nationwide Cybersecurity Review](#), enabling agencies to benchmark and measure progress of improving their cybersecurity posture. The CIO, CISO or equivalent for each recipient should complete the NCSR. If there is no CIO or CISO, the most senior cybersecurity professional should complete the assessment. The NCSR is available at no cost to the user and takes approximately 2- 3 hours to complete. The 2021 NCSR is estimated to be open from October – December 2021.

The NCSR is an annual requirement for recipients and subrecipients of HSGP funds. Additionally, FEMA recognizes that some subawards will not be issued until after the NCSR has closed. In such cases, such subrecipients will be required to complete the first available NCSR offered after the subaward has been issued by the pass-through entity. Although not required by SLTTs that did not receive HSGP funds, all SLTT agencies with preparedness responsibilities are highly encouraged to participate and complete the NCSR to evaluate their cybersecurity posture. For detailed information and background on the NCSR, please see [IB 439](#).

- **Soft Targets/Crowded Places IJ (5 percent)**

Soft targets and crowded places are increasingly appealing to terrorists and other extremist actors because of their relative accessibility and the large number of potential targets. This challenge is complicated by the prevalent use of simple tactics and less sophisticated attacks. Segments of our society are inherently open to the general public, and by nature of their purpose do not incorporate strict security measures. Given the increased emphasis by terrorists and other extremist actors to leverage less sophisticated methods to inflict harm in public areas, it is vital that the public and private sectors collaborate to enhance security of locations such as transportation centers, parks, restaurants, shopping centers, special event venues, and similar facilities.

Given the increased risk to soft targets and crowded places, at least one investment must be in support of the urban area's efforts to protect soft targets/crowded places. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for soft targets/crowded places and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments. Additional resources and information regarding securing soft targets and crowded places are available through the [Cybersecurity and Infrastructure Security Agency](#).

- **Information and Intelligence Sharing and Cooperation IJ (5 percent)**

Effective homeland security operations rely on access to, analysis of, and timely sharing of open source, unclassified, and classified information, suspicious activity reports, tips/leads, and actionable intelligence on indicators and behaviors to accurately identify, assess, and mitigate a wide array of threats against the United States, including terrorism, threats to life, targeted violence, and other threats within the DHS mission space. Accordingly, DHS works diligently to enhance intelligence collection, integration, analysis, and information sharing capabilities to ensure partners, stakeholders, and senior



leaders receive actionable intelligence and information necessary to inform their decisions and operations. A critical and statutorily charged mission of DHS is to deliver intelligence and information to federal, state, local, and tribal governments and private sector partners. Cooperation and information sharing among state, federal, and local partners across all areas of the homeland security enterprise, including counterterrorism, – including both international and domestic terrorism, cybersecurity, transnational organized crime, economic security, border security, immigration enforcement, and other areas is critical to homeland security operations and the prevention of, preparation for, protection against, and responding to acts of terrorism, and other threats to life and criminal acts of targeted violence.

Given the importance of information sharing and collaboration to effective homeland security solutions, at least one investment must be in support of the urban area's efforts to enhance information sharing and cooperation with DHS and other federal agencies. As noted above, this requirement must include at least one dedicated fusion center project. Additional instructions on development of the fusion center project can be found below. Applicants must justify persuasively how they will contribute to the information sharing and collaboration purposes of the investment and a culture of national preparedness. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for information sharing and cooperation with DHS and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments. Additional resources and information regarding collaboration and information sharing are available through the Department's [Office of Intelligence and Analysis](#).

- **Domestic Violent Extremism IJ (7.5 percent)**

As stated in the October 2020 DHS Homeland Threat Assessment, domestic violent extremists, including ideologically motivated lone offenders and small groups, present the most persistent and lethal terrorist threat to the Homeland. These violent extremists capitalize on social and political tensions, which have resulted in an elevated threat environment. They utilize social media platforms and other technologies to spread violent extremist ideologies that encourage violence and influence action within the United States. The COVID-19 pandemic has further created an environment that may lead to accelerated mobilization to targeted violence and/or radicalization to domestic terrorism, including driving lawful protests to incite violence, intimidate targets, and promote their violent extremist ideologies.

Given the rise of domestic violent extremism in recent years, at least one investment must be in support of the urban area's efforts to combat the rise, influence, and spread of domestic violent extremism. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for domestic violent extremism and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments.

**Please note** that there currently is not a "Domestic Violent Extremism" Investment Type option in the GRT. Instead applicants should select the "Standard" Investment Type and clearly name the IJ as "Domestic Violent Extremism Priority Area" to ensure it is appropriately accounted for during FEMA's administrative and effectiveness reviews.

- **Emerging Threats IJ (5 percent)**

The spread of rapidly evolving and innovative technology, equipment, techniques, and knowledge presents new and emerging dangers for homeland security in the years ahead. Terrorists, criminal actors, and foreign adversaries continue to utilize open source and other technologies to spread misinformation and sow discord in the United States. These actors also remain intent on acquiring WMD capabilities, and rogue nations and non-state actors are aggressively working to develop, acquire, and modernize WMDs that they could use against the Homeland. Meanwhile, biological and chemical materials and technologies with dual use capabilities are more accessible throughout the global market. Due to the proliferation of such information and technologies, rogue nations and non-state actors have more opportunities to develop, acquire, and use WMDs than ever before. Similarly, the proliferation of UASs, artificial intelligence, and biotechnology increase opportunities of threat actors to acquire and use these capabilities against the United States and its interests.

Given the increased risk of these emerging threats, at least one investment must be in support of the urban area's efforts to address emerging threats. Additionally, the proposed investment must meet or exceed the FY 2021 national priority percentage for emerging threats and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments. Additional resources and information regarding emerging threats are available through the [Countering Weapons of Mass Destruction Office](#) and the [Cybersecurity and Infrastructure Security Agency](#).

## VI. DEVELOPMENT OF FUSION CENTER PROJECTS: SHSP AND UASI

If applicable, each applicant must identify a fusion center project that will:

- Indicate alignment to a designated Fusion Center;
- Provide both a brief narrative description and funding itemization for the proposed project activities that directly support the designated fusion center; and
- The descriptive narrative and the financial itemization should align improvement or sustainment requests with fusion center activities as they relate to the Fusion Center Performance Measures found in the [Preparedness Grants Manual](#).

### *Sample Fusion Center Funding Itemization*

A sample project description and funding itemization are below. For the itemized projects, clearly identify the anticipated fusion center performance improvement or sustainment as a result of the proposed funding.

*The X Fusion enhancement project will fund:*

- *Salaries, benefits, and training for X number of Fusion Center intelligence analysts*
- *Travel costs associated with fusion center analyst training*
- *This project will directly sustain the Center's current capabilities and performance and directly aligns with performance measures 2021.XXX*
- *We anticipate seeing an improvement in the quality and quantity of analytic production and responses to requests for information as a direct result of the funding of this project*

The funding itemization for a fusion center project should include the amount and percent of each relevant solution area. As an example:

<i><b>Solution Area and Amount of Proposed Funding</b></i>	<i><b>Percent of Proposed Funding</b></i>
<i>Planning:</i> \$10,000	2%
<i>Organization:</i> \$200,000	48%
<i>Equipment:</i> \$200,000	48%
<i>Training:</i> \$10,000	2%
<i>Exercises:</i> \$0	0%
<i><b>Total:</b></i> \$420,000	100%

**VII. COMPLETING IJS IN THE GRANT REPORTING TOOL (GRT): SHSP AND UASI**

In the Related Documents section of the Grants.gov posting, applicants can find the IJ template and instructions for collecting the required information for investments and projects. Additionally, applicants should utilize the Project Worksheet located in Grants.gov posting to assemble the information required for each project, which will facilitate the input of that information into the GRT.

Applicants must ensure the appropriate National Priority Area “Investment Type” (*Overview Tab – Investment Information Section*) is selected for the corresponding National Priority Area (Cybersecurity, Soft Targets/Crowded Places, Information and Intelligence Sharing and Cooperation, and Emerging Threats). **Important note: there currently is not a “Domestic Violent Extremism” Investment Type option. Applicants should instead select the “Standard” Investment Type and clearly name the IJ as “Domestic Violent Extremism Priority Area” to ensure it is appropriately accounted for during FEMA’s administrative and effectiveness reviews.** All non-National Priority Area IJs should have the “Standard” Investment Type option selected.

**VIII. DEVELOPMENT OF CONCEPT OF OPERATIONS FOR OPSG**

As part of the FY 2021 OPSG application process, each eligible local unit of government at the county or federally recognized tribal government level must develop a strategic plan called a Concept of Operations (CONOP)/Application, which is a formal proposal of action to address a specific situation and forms the basis for Operations Orders, in coordination with state and federal law enforcement agencies, to include, but not limited to CBP/USBP. CONOPs that are developed at the county level should be inclusive of city, county, tribal, and other local law enforcement agencies that are eligible to participate in OPSG operational activities, and the CONOP/Application should describe participating agencies in the Executive Summary.

CONOP/Application details should include the names of the agencies, points of contact, and individual funding requests. All CONOPs/Applications must be developed in collaboration with the local USBP sector office, the SAA, and the local unit of government. Requests for funding in CONOPs/Applications must be based on risks and the operational enforcement support requirements of its corresponding USBP Sector, as well as the national priorities identified below. USBP Sector offices will forward the CONOPs to USBP Headquarters for

vetting and coordination. Applicants will forward corresponding OPSG Applications to the SAA for submission to FEMA. USBP Headquarters will reconcile all submitted CONOPs with the OPSG Applications. FEMA will review and evaluate all CONOPs and OPSG Applications and funding will be allocated based on the review and selection criteria identified in this NOFO.

**OPSG Applicants will be required to clearly articulate and identify how the CONOPs will address the national priorities identified below.**

- **Information and Intelligence Sharing and Cooperation**

Effective border security operations rely on access to, analysis of, and the timely sharing of open source, unclassified, and classified information, suspicious activity reports, tips/leads, and actionable intelligence on indicators and behaviors to accurately identify, assess, and mitigate a wide array of threats against the United States, including terrorism, threats to life, targeted violence, and other threats within the DHS mission space. Accordingly, DHS works diligently to enhance intelligence collection, integration, analysis, and information sharing capabilities to ensure partners, stakeholders, and senior leaders receive actionable intelligence and information necessary to inform their decisions and operations. One critical, statutorily required mission of DHS is to deliver intelligence and information to federal, state, local, and tribal governments and private sector partners. Cooperation and information sharing among state, federal, and local partners across all areas of the homeland security enterprise, including both international and domestic terrorism, cybersecurity, transnational organized crime, economic security, border security, immigration enforcement, and other areas is critical to homeland security operations and the prevention of, preparation for, protection against, and responding to acts of terrorism, and other threats to life and criminal acts of targeted violence.

Given the importance of information sharing and collaboration to effective homeland security solutions, the CONOP must support the recipient's efforts to enhance information sharing and cooperation with DHS and other federal agencies. Applicants must justify persuasively how they will contribute to the information sharing and collaboration purposes of the OPSG program and a culture of national preparedness. Additional resources and information regarding collaboration and information sharing are available through the Department's Office of Intelligence and Analysis.

- **Emerging Threats**

The spread of rapidly evolving and innovative technology, equipment, techniques, and knowledge presents new and emerging dangers for homeland security in the years ahead. Terrorists, criminal actors, and foreign adversaries continue to utilize open source and other technologies to spread misinformation and sow discord in the United States. These actors also remain intent on acquiring WMD capabilities, and rogue nations and non-state actors are aggressively working to develop, acquire, and modernize WMDs that they could use against the Homeland. Meanwhile, biological and chemical materials and technologies with dual use capabilities are more accessible throughout the global market. Due to the proliferation of such information and technologies, rogue nations and non-state actors have more opportunities to develop, acquire, and use WMDs

than ever before. Similarly, the proliferation of UASs, artificial intelligence, and biotechnology increase opportunities of threat actors to acquire and use these capabilities against the United States and its interests.

Given the increased risk of these emerging threats, the CONOP must be in support of the recipient's efforts to address emerging threats. Additional resources and information regarding emerging threats are available through the [Countering Weapons of Mass Destruction Office](#) and the [Cybersecurity and Infrastructure Security Agency](#).

## **IX. DETAILED Budget**

Applicants must provide budget summary worksheets for all funds requested at the time of application. The budget summary worksheets must be complete, reasonable, and cost-effective in relation to the proposed project and should provide the basis of computation of all project-related costs (including management and administrative costs) and any appropriate narrative. FEMA must be able to thoroughly evaluate the projects being submitted based on the information provided. FEMA must be able to determine how much funding is being passed through to subrecipients for each sub-program (UASI, SHSP, OPSG). Consequently, applicants must provide an appropriate level of detail within the budget summary worksheets to clarify what will be purchased and spent. Sample budget summary worksheets are available on the grants.gov posting for the HSGP in the Related Documents tab and may be used as a guide to assist applicants in the preparation of budgets and budget narratives.

### **11. Other Submission Requirements**

#### **Emergency Communications Investments**

If an entity uses HSGP funding to support emergency communications investments, the applicant must describe in the investment how proposed communications investments align to needs identified in their SCIP. Effective project alignment will require advance coordination with the SWIC and consultation with governing bodies such as the SIGB or Statewide Interoperability Executive Committee (SIEC), as they serve as the primary steering group for the statewide interoperability strategy. Additionally, recipients should consult subject matter experts serving on governance bodies, such as broadband experts, chief information officers, representatives from utilities, or legal and financial experts, when developing proposals.

### **12. Intergovernmental Review**

An intergovernmental review may be required. Applicants must contact their state's Single Point of Contact (SPOC) to comply with the state's process under Executive Order 12372 (See <https://www.archives.gov/federal-register/codification/executive-order/12372.html>; <https://www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf>).

### **13. Funding Restrictions and Allowable Costs**

All costs charged to awards covered by this NOFO must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements at 2 C.F.R. Part 200, unless otherwise indicated in the NOFO, the terms and conditions of the award, or the Preparedness Grants Manual. This includes, among other requirements, that costs must be

incurred, and products and services must be delivered, within the period of performance of the award. *See* 2 C.F.R. § 200.403(h) (referring to budget periods, which for FEMA awards under this program is the same as the period of performance).

Federal funds made available through this award may be used for the purpose set forth in this NOFO, the [Preparedness Grants Manual](#), and the terms and conditions of the award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal awards, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity. See the [Preparedness Grants Manual](#) for more information on funding restrictions and allowable costs.

**a. *Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services***

Recipients and subrecipients of FEMA federal financial assistance are subject to the prohibitions described in section 889 of the [John S. McCain National Defense Authorization Act for Fiscal Year 2019 \(FY 2019 NDAA\)](#), Pub. L. No. 115-232 (2018) and 2 C.F.R. §§ 200.216, 200.326, 200.471, and Appendix II to 2 C.F.R. Part 200. Beginning August 13, 2020, the statute – as it applies to FEMA recipients, subrecipients, and their contractors and subcontractors – prohibits obligating or expending federal award funds on certain telecommunications and video surveillance products and contracting with certain entities for national security reasons.

Additional guidance is available in FEMA Policy #405-143-1 [Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services \(Interim\)](#).

**Effective August 13, 2020**, FEMA recipients and subrecipients **may not** use any FEMA funds under open or new awards to:

- (1) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
- (2) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system; or
- (3) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

**I. REPLACEMENT EQUIPMENT AND SERVICES**

FEMA grant funding may be permitted to procure replacement equipment and services impacted by this prohibition, provided the costs are otherwise consistent with the requirements of the NOFO and the [Preparedness Grants Manual](#).

## II. DEFINITIONS

Per section 889(f)(2)-(3) of the FY 2019 NDAA and 2 C.F.R. § 200.216, covered telecommunications equipment or services means:

- i. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation, (or any subsidiary or affiliate of such entities);
- ii. For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- iii. Telecommunications or video surveillance services provided by such entities or using such equipment; or
- iv. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the People's Republic of China.

Examples of the types of products covered by this prohibition include phones, internet, video surveillance, and cloud servers when produced, provided, or used by the entities listed in the definition of “covered telecommunications equipment or services.” *See* 2 C.F.R. § 200.471.

### b. *Pre-Award Costs*

Pre-award costs are allowable only with the prior written approval of DHS/FEMA and as included in the award agreement. To request pre-award costs, a written request must be included with the application, signed by the AOR of the entity. The letter must outline what the pre-award costs are for, including a detailed budget break-out of pre-award costs from the post-award costs, and a justification for approval.

### c. *Management and Administration (M&A) Costs*

Management and administration (M&A) activities are those directly relating to the management and administration of HSGP funds, such as financial management and monitoring. A maximum of up to five percent of HSGP funds awarded may be retained by the state, and any funds retained are to be used solely for M&A purposes associated with the HSGP award. Subrecipients may also retain a maximum of up to five percent of the funding passed through by the state solely for M&A purposes associated with the HSGP award.

Recipients or subrecipients may apply or credit M&A funding toward the recipient's requirement to allocate funding toward the five National Priority Areas. For example, if a recipient spends \$5,000 to manage or administer its funding dedicated toward its enhancing cybersecurity investment, the recipient may credit that funding toward its requirement to allocate at least 7.5 percent of its award to the enhancing cybersecurity National Priority Area.

A state's HSGP funds for M&A calculation purposes includes the total of its SHSP, UASI, and OPSG awards. While the SAA may retain up to five percent of this total for M&A, the state must still ensure that all subrecipient award amounts meet the mandatory minimum pass-through requirements that are applicable to each HSGP program. To meet this requirement, the percentage of SHSP and UASI funds passed through to local or tribal jurisdictions must be based on the state's total HSGP award prior to withholding any M&A.

In retaining these funds, states may retain a maximum of 2.5 percent of the OPSG allocation, which must be withheld from the pass-through to each subrecipient county or tribe in an equal percentage. The SAA may also retain additional funding from its SHSP award to manage and administer the OPSG award, but that additional amount is also capped at an amount equal to 2.5 percent of the OPSG award. Examples applying this principle:

SAA 1:

SHSP: \$1,000,000 OPSG: \$2,500,000 UASI: \$2,500,000

M&A Maximum: \$300,000 (5 percent of \$6,000,000)

Maximum M&A for SHSP = \$50,000

Maximum M&A for OPSG = \$125,000. Of that amount, \$62,500 (2.5 percent) may be retained from the OPSG allocation, and the other \$62,500 would come from the SHSP allocation. Any amount used to manage and administer OPSG that is charged to SHSP may be above and beyond the \$50,000 available to manage the SHSP allocation.

Maximum M&A for UASI = \$125,000

SAA 2:

SHSP: \$3,500,000 OPSG: \$1,000,000

M&A Maximum: \$225,000 (5 percent of \$4,500,000)

Maximum M&A for SHSP = \$175,000

Maximum M&A for OPSG = \$50,000. Of that amount, \$25,000 (2.5 percent) may be retained from the OPSG allocation, and the other \$25,000 would come from the SHSP allocation. Any amount used to manage and administer OPSG that is charged to SHSP may be above and beyond the \$175,000 available to manage the SHSP allocation.

HSGP recipients are also reminded that any M&A charged to a recipient's or subrecipient's UASI funding must be directly allocable to administration of the UASI grant program and cannot be used to cover M&A costs that are directly allocable to SHSP or OPSG funding. Similarly, any M&A charged to a recipient's or subrecipient's SHSP or OPSG funding cannot be used to cover M&A costs directly allocable to UASI funding.

Additionally, if a state/territory receives Nonprofit Security Grant Program (NSGP) funding, it may use SHSP M&A funding to cover M&A costs related to the management of NSGP-State awards, and UASI M&A funding to cover M&A costs related to the management of NSGP-Urban Area awards.

Please note, [IB 365: Management and Administration Costs in the Homeland Security Grant Program](#) and DHS/FEMA [Policy 207-087-1](#) **do not apply to awards made in FY 2021 under this NOFO**. Please also reference [IB 416](#) for additional clarification on OPSG M&A,

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but to the extent that there is any conflict between IB 416 and this NOFO, the requirements of this NOFO will apply to FY 2021 awards made under this NOFO.

**d. *Indirect Facilities & Administrative (F&A) Costs***

Indirect costs are allowable under this program as described in 2 C.F.R. Part 200, including 2 C.F.R. § 200.414. Applicants with a current negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Not all applicants are required to have a current negotiated indirect cost rate agreement. Applicants that are not required by 2 C.F.R. Part 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. Part 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Applicants who do not have a current negotiated indirect cost rate agreement (including a provisional rate) and wish to charge the de minimis rate must reach out to the FEMA Grants Management Specialist for further instructions. Applicants who wish to use a cost allocation plan in lieu of an indirect cost rate must also reach out to the FEMA Grants Management Specialist for further instructions. Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal as discussed above or based upon on the de minimis rate or cost allocation plan, as applicable.

**f. *Funds Transfer Restriction***

The recipient is prohibited from transferring funds between programs (includes SHSP, UASI, and OPSG). Recipients can submit an investment/project where funds come from multiple funding sources (e.g., SHSP and UASI), however, recipients are not allowed to divert funding from one program to another due to the risk-based funding allocations, which were made at the discretion of DHS/FEMA.

**e. *Other Direct Costs***

**I. PLANNING**

Planning costs are allowed under this program. Please see the [Preparedness Grants Manual](#) for more information.

**II. ORGANIZATION**

Organization costs are allowed under this program. Please see the [Preparedness Grants Manual](#) for more information.

**III. EQUIPMENT**

Equipment costs are allowed under this program. Please see the [Preparedness Grants Manual](#) for more information.

**• General Purpose Equipment**

HSGP allows expenditures on general purpose equipment if it aligns to and supports one or more core capabilities identified in the Goal and has a nexus to terrorism preparedness. General purpose equipment, like all equipment funded under the HSGP, must be sharable

through the EMAC<sup>2</sup> and allowable under 6 U.S.C. § 609, and any other applicable provision of the *Homeland Security Act of 2002*, as amended. Examples of such general-purpose equipment may include:

- Law enforcement vehicles;
  - Emergency medical services (EMS) equipment and vehicles;
  - Fire service equipment and vehicles, to include hose, pump accessories, and foam concentrate for specialized CBRNE response;
  - Interoperability of data systems, such as computer aided dispatch (CAD) and record management systems (RMS); and
  - Office equipment for staff<sup>3</sup> engaged in homeland security program activity.
- **Controlled Equipment**

For decades, the federal government has provided equipment to state, local, and tribal law enforcement agencies (LEAs) through federal grants. Some federal grant programs have assisted LEAs as they carry out their critical missions to keep the American people safe. The equipment acquired by LEAs through these programs includes administrative equipment, such as office furniture and computers. Some federal grant programs also may include military and military-styled equipment, firearms, and tactical vehicles provided by the federal government, including property covered under 22 C.F.R. Part 121 and 15 C.F.R. Part 774 (collectively, "controlled equipment").

However, not all equipment that is considered controlled equipment is allowable under the HSGP. As discussed further below, there are certain "prohibited equipment" that are not allowable under HSGP. And for the procurement of certain controlled equipment that is allowable under the HSGP, there are additional submission requirements and reviews that must be met before DHS/FEMA will permit funding to be used for this purpose.

DHS/FEMA will continue to collaborate with federal agency partners to ensure that there is a consistent and reasonable approach to the restrictions placed on controlled equipment expenditures while continuing to support these investments when there is a justifiable need. Further, DHS/FEMA will continue to maintain an awareness of the evolving policy developments related to controlled equipment expenditures and keep grant recipients up to date on future developments.

Grant funds under this program may not be used for the purchase of equipment not approved by DHS/FEMA. The purchase of weapons and weapons accessories, including ammunition, is not allowed with HSGP funds. Grant funds under this program must also comply with [IB 426](#) and may not be used for the purchase of the following equipment: 1) firearms; 2)

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<sup>2</sup> Except for American Samoa and the Commonwealth of the Northern Mariana Islands, which are not required to belong to EMAC at this time.

<sup>3</sup> This applies to all homeland security personnel and is not limited to M&A staff, and costs are to be captured outside the cap on M&A costs

ammunition; 3) grenade launchers; 4) bayonets; or 5) weaponized aircraft, vessels, or vehicles of any kind with weapons installed.

#### IV. TRAINING

Training costs are allowed under this program. Please see the [Preparedness Grants Manual](#) for more information.

#### V. EXERCISES

Exercise costs are allowed under this program. Please see the [Preparedness Grants Manual](#) for more information.

#### VI. PERSONNEL

Personnel hiring, overtime, and backfill expenses are permitted under this grant to perform allowable HSGP planning, organization, training, exercise, and equipment activities. Under OPSG, overtime costs are allowable only in so far as they meet the intent of the program. All recipients and subrecipients of HSGP funds, including SHSP, UASI, and OPSG allocations, may not use more than 50 percent of their awards to pay for personnel activities unless a waiver is approved by FEMA. For more information on the 50 percent personnel cap, please see FEMA [IB 421b](#), Clarification on the *Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008* (Public Law 110-412) – the PRICE Act. Please see the [Preparedness Grants Manual](#) for more information.

#### VII. OPERATIONAL OVERTIME

Operational overtime costs are allowed under this program. Prior to use of funds for operational overtime, recipients must receive approval from DHS/FEMA. Operational overtime costs are also subject to the 50 percent personnel cap. Please see the [Preparedness Grants Manual](#) for more information.

#### VIII. TRAVEL

Domestic travel costs are allowed under this program, as provided for in this NOFO and in the [Preparedness Grants Manual](#). International travel is not an allowable cost under this program unless approved in advance by DHS/FEMA.

#### IX. CONSTRUCTION AND RENOVATION

Construction and renovation costs to achieve capability targets related to preventing, preparing for, protecting against, or responding to acts of terrorism are allowed under this program. For construction and renovation costs to be allowed, they must be specifically approved by DHS/FEMA in writing prior to the use of any program funds. Applicants must use the Environmental Planning and Historical Preservation (EHP) approval process. Limits on the total amount of grant funding that may be used for construction or renovation may apply. Additionally, recipients are required to submit [SF-424C and SF-424D](#). Please see the [Preparedness Grants Manual](#) for more information.

#### X. MAINTENANCE AND SUSTAINMENT

Maintenance- and sustainment-related costs, such as maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees, are allowable. Please see the

[Preparedness Grants Manual](#) for more information.

#### XI. CRITICAL EMERGENCY SUPPLIES

Critical emergency supplies are allowed under this program. Please see the [Preparedness Grants Manual](#) for more information.

#### XII. SECURE IDENTIFICATION

Secure Identification costs are allowed under this program. Please see the [Preparedness Grants Manual](#) for more information.

#### Allowable Cost Matrix

The following matrix provides allowable cost activities that fall under each of the cost categories noted above. Recipients and subrecipients must follow all applicable requirements in 2 C.F.R. Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. HSGP funds may be used to cover the costs for evaluating the impact of these grants on the state or urban area's core capabilities and capability gaps. This list is not exhaustive, therefore, if there are any questions regarding allowable costs, please contact the appropriate HQ FEMA Preparedness Officer. For additional information on allowable costs, see the [Preparedness Grants Manual](#).

Allowable Program Activities	SHSP	UASI	OPSG
<b>Allowable Planning Costs</b>			
Developing hazard/threat-specific annexes	Y	Y	N
Developing and implementing homeland security support programs and adopting ongoing DHS/FEMA national initiatives	Y	Y	N
Developing related terrorism and other catastrophic event prevention activities	Y	Y	N
Developing and enhancing plans and protocols	Y	Y	N
Developing or conducting assessments	Y	Y	N
Hiring of full- or part-time staff or contract/consultants to assist with planning activities	Y	Y	N
Materials required to conduct planning activities	Y	Y	N
Travel/per diem related to planning activities	Y	Y	Y
Overtime and backfill costs (in accordance with operational Cost Guidance)	Y	Y	Y
Issuance of Western Hemisphere Travel Initiative-compliant Tribal identification cards	Y	N	N
Activities to achieve planning inclusive of people with disabilities and others with access and functional needs and limited English proficiency.	Y	Y	N
Coordination with Citizen Corps Councils for public information/education and development of volunteer programs	Y	Y	N
Update governance structures and processes and plans for emergency communications	Y	Y	N
Development, and review and revision of continuity of operations plans	Y	Y	N
Development, and review and revision of the THIRA/SPR continuity of operations plans	Y	Y	N
<b>Allowable Organizational Activities</b>			
<b>Note:</b> Personnel hiring, overtime, and backfill expenses are permitted under this grant only to the extent that such expenses are for the allowable activities within the scope of the grant.			
Program management	Y	Y	N
Development of whole community partnerships	Y	Y	N
Structures and mechanisms for information sharing between the public and private sector	Y	Y	N

<b>Allowable Program Activities</b>	<b>SHSP</b>	<b>UASI</b>	<b>OPSG</b>
Implementing models, programs, and workforce enhancement initiatives	Y	Y	N
Tools, resources, and activities that facilitate shared situational awareness between the public and private sectors	Y	Y	N
Operational support	Y	Y	N
Utilization of standardized resource management concepts	Y	Y	N
Responding to an increase in the threat level under the National Terrorism Advisory System (NTAS), or needs in resulting from a National Special Security Event	Y	Y	N
Reimbursement for select operational expenses associated with increased security measures at critical infrastructure sites incurred (up to 50 percent of the allocation)	Y	Y	Y
Overtime for information, investigative, and intelligence sharing activities (up to 50 percent of the allocation)	Y	Y	Y
Hiring of new staff positions/contractors/consultants for participation in information/intelligence analysis and sharing groups or fusion center activities (up to 50 percent of the allocation).	Y	Y	Y
Cost of migrating online services to the “.gov” domain	Y	Y	N
<b>Allowable Equipment Categories</b>			
Personal Protective Equipment	Y	Y	Y
<b>Allowable Equipment Categories</b>			
Explosive Device Mitigation and Remediation Equipment	Y	Y	N
CBRNE Operational Search and Rescue Equipment	Y	Y	N
Information Technology	Y	Y	Y
Cybersecurity Enhancement Equipment	Y	Y	N
Interoperable Communications Equipment	Y	Y	Y
Detection	Y	Y	Y
Decontamination	Y	Y	N
Medical countermeasures	Y	Y	Y
Power (e.g., generators, batteries, power cells)	Y	Y	Y
CBRNE Reference Materials	Y	Y	N
CBRNE Incident Response Vehicles	Y	Y	N
Terrorism Incident Prevention Equipment	Y	Y	Y
Physical Security Enhancement Equipment	Y	Y	Y
Inspection and Screening Systems	Y	Y	Y
Animal Care and Foreign Animal Disease	Y	Y	N
CBRNE Prevention and Response Watercraft	Y	Y	N
CBRNE Prevention and Response Unmanned Aircraft	Y	Y	N
CBRNE Aviation Equipment	Y	Y	N
CBRNE Logistical Support Equipment	Y	Y	N
Intervention Equipment (e.g., tactical entry, crime scene processing)	Y	Y	Y
Critical emergency supplies	Y	Y	N
Vehicle acquisition, lease, and rental	N	N	Y
Other Authorized Equipment	Y	Y	Y
<b>Allowable Training Costs</b>			
Overtime and backfill for emergency preparedness and response personnel attending DHS/FEMA-sponsored and approved training classes	Y	Y	N
Overtime and backfill expenses for part-time and volunteer emergency response personnel participating in DHS/FEMA training	Y	Y	N
Training workshops and conferences	Y	Y	Y
Activities to achieve training inclusive of people with disabilities and others with access and functional needs and limited English proficiency	Y	Y	N
Full- or part-time staff or contractors/consultants	Y	Y	Y
Travel	Y	Y	Y

<b>Allowable Program Activities</b>	<b>SHSP</b>	<b>UASI</b>	<b>OPSG</b>
Supplies	Y	Y	N
Instructor certification/re-certification	Y	Y	N
Coordination with Citizen Corps Councils in conducting training exercises	Y	Y	N
Interoperable communications training	Y	Y	N
Activities to achieve planning inclusive of people with limited English proficiency	Y	Y	N
Immigration enforcement training	Y	Y	Y
<b>Allowable Exercise Related Costs</b>			
Design, Develop, Conduct, and Evaluate an Exercise	Y	Y	N
Full- or part-time staff or contractors/consultants	Y	Y	N
Overtime and backfill costs, including expenses for part-time and volunteer emergency response personnel participating in DHS/FEMA exercises	Y	Y	N
Implementation of HSEEP	Y	Y	N
Activities to achieve exercises inclusive of people with disabilities and others with access and functional needs	Y	Y	N
Travel	Y	Y	N
Supplies	Y	Y	N
Interoperable communications exercises	Y	Y	N
<b>Allowable Exercise Related Costs</b>			
Activities to achieve planning inclusive of people with limited English proficiency	Y	Y	N
<b>Allowable M&amp;A Costs</b>			
Hiring of full- or part-time staff or contractors/consultants to assist with the management of the respective grant program, application requirements, and compliance with reporting and data collection requirements	Y	Y	Y
Development of operating plans for information collection and processing necessary to respond to DHS/FEMA data calls	Y	Y	Y
Overtime and backfill costs	Y	Y	Y
Travel	Y	Y	Y
Meeting related expenses	Y	Y	Y
Authorized office equipment	Y	Y	Y
Recurring expenses such as those associated with cell phones and faxes during the period of performance of the grant program	Y	Y	N
Leasing or renting of space for newly hired personnel during the period of performance of the grant program	Y	Y	N
<b>LETPA Costs</b>			
Integration and interoperability of systems and data, such as CAD and RMS, to facilitate the collection,	Y	Y	N
Maturation, enhancement, and sustainment of designated state and major Urban Area fusion centers	Y	Y	N
Coordination between fusion centers and other operational analytic, and investigative efforts	Y	Y	N
Implementation, maintenance, and sustainment of the Nationwide Suspicious Activity Reporting Initiative	Y	Y	N
Implementation of the "If You See Something, Say Something®" campaign	Y	Y	N
Increase physical security, through law enforcement personnel and other protective measures, by implementing preventive and protective measures at critical	Y	Y	N
Building and sustaining preventive radiological and nuclear detection capabilities	Y	Y	N

## **E. Application Review Information**

### **1. Application Evaluation Criteria**

#### **a. Programmatic Criteria**

## I. RISK METHODOLOGY

The risk methodology determines the relative risk of terrorism faced by a given area considering the potential risk of terrorism to people, critical infrastructure, and economic security. The analysis includes, but is not limited to, threats from violent domestic extremists, international terrorist groups, and individuals inspired by terrorists abroad. See the [Preparedness Grants Manual](#) for additional information on the risk methodology.

NOTE: The THIRA/SPR process is separate from the risk methodology and its results do not affect grant allocations.

The Risk Methodology is used to inform allocations under HSGP. For more information on the SHSP, UASI, and OPSG allocation processes, please see Section B.1 of this NOFO, “Available Funding for the NOFO.”

## II. APPLICATION EVALUATION CRITERIA

FEMA will evaluate the FY 2021 HSGP applications for completeness, adherence to programmatic guidelines, and anticipated effectiveness of the proposed investments. FEMA’s review will include verification that each IJ and project:

- Aligns with at least one core capability identified in the Goal;
- Demonstrates how investments support closing capability gaps or sustaining capabilities identified in the THIRA/SPR process; and
- Supports a NIMS-typed resource and whether those assets are deployable/shareable to support emergency or disaster operations per existing EMAC agreements.

In addition to the above, FEMA will evaluate whether proposed projects are: 1) both feasible and effective at reducing the risks for which the project was designed; and 2) able to be fully completed within the three-year period of performance. FEMA will use the information provided in the application and after the submission of the first BSIR to determine the feasibility and effectiveness of a grant project. To that end, IJs should include:

- An explanation of how the proposed project(s) will achieve objectives as identified in the SPR, including expected long-term impact where applicable, and which core capability gap(s) it helps to close and how;
- A summary of the status of planning and design efforts accomplished to date (e.g., included in a capital improvement plan); and
- A project schedule with clear milestones.

Recipients are expected to conform, as applicable, with accepted engineering practices, established codes, standards, modeling techniques, and best practices, and participate in the development of case studies demonstrating the effective use of grant funds, as requested.

FEMA will also review any submitted National Priority Area-aligned IJs and projects to ensure they meet the minimum spend requirement. Further information on how the National Priority Area IJs and projects will be reviewed for effectiveness is included in the Review and Selection Process section below.

**b. *Financial Integrity Criteria***

Prior to making a federal award, FEMA is required by 31 U.S.C. § 3354, as amended by the Payment Integrity Information Act of 2019, Pub. L. No. 116-117 (2020); 41 U.S.C. § 2313; and 2 C.F.R. § 200.206 to review information available through any Office of Management and Budget (OMB)-designated repositories of governmentwide eligibility qualification or financial integrity information, including whether the applicant is suspended or debarred. FEMA may also pose additional questions to the applicant to aid in conducting the pre-award risk review. Therefore, application evaluation criteria may include the following risk-based considerations of the applicant:

- i. Financial stability.
- ii. Quality of management systems and ability to meet management standards.
- iii. History of performance in managing federal award.
- iv. Reports and findings from audits.
- v. Ability to effectively implement statutory, regulatory, or other requirements.

**c. *Supplemental Financial Integrity Criteria and Review***

Prior to making a federal award where the anticipated total federal share will be greater than the simplified acquisition threshold, currently \$250,000:

- i. FEMA is required to review and consider any information about the applicant, including information on the applicant's immediate and highest-level owner, subsidiaries, and predecessors, if applicable, that is in the designated integrity and performance system accessible through the System for Award Management (SAM), which is currently the [Federal Awardee Performance and Integrity Information System](#) (FAPIIS).
- ii. An applicant, at its option, may review information in FAPIIS and comment on any information about itself that a federal awarding agency previously entered.
- iii. FEMA will consider any comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants as described in 2 C.F.R. § 200.206.

**2. *Review and Selection Process*****a. *SHSP and UASI***

All proposed investments will undergo a federal review by DHS/FEMA to verify compliance with all administrative and eligibility criteria identified in the NOFO. The federal review will be conducted by FEMA HQ Preparedness Officers. FEMA HQ Preparedness Officers will use a checklist to verify compliance with all administrative and eligibility criteria identified in the NOFO. Recipients must be able to demonstrate how investments support closing capability gaps or sustaining capabilities identified in the THIRA/SPR process. IJs will be reviewed at both the investment and project level.



Emergency communications investments will be jointly reviewed by FEMA and the DHS Office of Emergency Communications (OEC) to verify compliance with SAFECOM guidance. FEMA and OEC will coordinate directly with the recipient on any compliance concerns and will provide technical assistance as necessary to help ensure full compliance.

**Additional Effectiveness Evaluation Criteria for the National Priority Areas**

FEMA will evaluate the FY 2021 HSGP IJs and projects submitted in support of the National Priority Areas for anticipated effectiveness. FEMA's review will include verification that each IJ or project meets the National Priority Area required spend percentages.

Cybersecurity investments will be reviewed by DHS/FEMA, CISA, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

Soft Targets/Crowded Places investments will be reviewed by DHS/FEMA, CISA, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

Information Sharing and Cooperation Investments will be reviewed by DHS/FEMA, DHS Office of Intelligence and Analysis, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

For additional information on Fusion Center requirements, please see the [Preparedness Grants Manual](#).

Domestic violent extremism investments will be reviewed by DHS/FEMA, DHS Office of Intelligence and Analysis, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the scoring criteria set forth in this NOFO.

Emerging threats investments will be reviewed by DHS/FEMA, DHS Countering Weapons of Mass Destruction Office, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

FEMA will determine whether the proposed approach is clear, logical, and reasonable to address the priority areas of interest and contribute to a culture of national preparedness. This part considers factors such as the objectives and strategies proposed to address the priority area, how the objectives and strategies overcome legal, political, or practical obstacles to reduce overall risk, the process and criteria to select additional relevant projects, and the approach to monitor awards to satisfy the funding percentage allocations.

For applicants that elect to submit IJs and project-level details for the National Priority Areas at the time of application, effectiveness will be evaluated prior to award. If the projects are found to not sufficiently align with the National Priority Area(s), applicants may have funds placed on hold (up to 30 percent) until the projects are revised to satisfactorily address the National Priority Areas.

For applicants that elect to submit IJs and project-level details for the National Priority Areas as part of the December 2021 BSIR, they will have funds placed on hold in the amount of 30 percent (the sum of all National Priority Area). The hold will be released only after their December 2021 BSIR submission has been reviewed, and projects related to the National Priority Areas deemed in alignment by DHS/FEMA.

**SAAs are still required to meet pass-through requirements even if funds are on hold related to the National Priority Areas.**

To that end, IJs should include:

- How the proposed investment addresses the National Priority Area;
- An explanation of how the proposed projects were selected and will achieve objectives and strategies to build or sustain the core capability gaps identified in the SPR, including expected long-term impact where applicable;
- A summary of laws, policies and practices that can be enhanced, eliminated, or otherwise changed in order to achieve the goals of the project and foster a culture of national preparedness; and
- A summary of the collaboration efforts to prevent, prepare for, protect against, and respond to acts of terrorism as well as anticipated outcomes of the project.

For FY 2021 SHSP and UASI investments and projects related to the National Priority Areas, effectiveness will be evaluated based on the following five factors:

- Investment Strategy (30%): Proposals will be evaluated based on the quality and extent to which applicants describe an effective strategy that demonstrates that proposed projects support the program objective of preventing, preparing for, protecting against, and responding to acts of terrorism, to meet its target capabilities, and otherwise reduce the overall risk to the high-risk urban area, the state, or the Nation.
- Budget (10%): Proposals will be evaluated based on the extent to which applicants describe a budget plan for each investment demonstrating how the applicant will maximize cost effectiveness of grant expenditures.
- Impact/Outcomes (30%): Proposals will be evaluated on how this investment helps the jurisdiction close capability gaps identified in its SPR and addresses the relevant National Priority Area outlined in this NOFO. Further, proposals will be evaluated on their identification and estimated improvement of core capability(ies), the associated standardized target(s) that align with their proposed investment, and the ways in which the applicant will measure and/or evaluate improvement.

- Collaboration (30%): Proposals will be evaluated based on the degree to which the proposal adequately details how the recipient will use investments and other means to overcome existing logistical, technological, legal, policy, and other impediments to collaborating, networking, sharing information, cooperating, and fostering a culture of national preparedness with federal, state, tribal, and local governments, as well as other regional and nonprofit partners. Collaboration should improve efforts to prevent, prepare for, protect against, and respond to acts of terrorism, to meet target capabilities, support the national security mission of DHS and other federal agencies, and to otherwise reduce the overall risk to the high-risk urban area, the state, or the Nation. In evaluating applicants under this factor FEMA will consider the information provided by the applicant and may also consider relevant information from other sources.
- Past Performance (additional consideration): Proposals will be evaluated based on the applicants demonstrated capability to execute the proposed investments. In evaluating applicants under this factor FEMA will consider the information provided by the applicant and may also consider relevant information from other sources.

#### b. *OPSG*

Applications will be reviewed by the SAA and USBP Sector Headquarters for completeness and adherence to programmatic guidelines and evaluated for anticipated feasibility, need, and impact of the Operations Orders. For more information on Operations Orders and other requirements of OPSG, see the [Preparedness Grants Manual](#).

DHS/FEMA will verify compliance with all administrative and eligibility criteria identified in the NOFO and required submission of Operations Orders and Inventory of Operations Orders by the established due dates. DHS/FEMA and USBP will use the results of both the risk analysis and the federal review by DHS/FEMA to make recommendations for funding to the Secretary of Homeland Security.

FY 2021 OPSG funds will be allocated competitively based on risk-based prioritization using the OPSG Risk Assessment described above. Final funding allocations are determined by the Secretary of Homeland Security, who may consider information and input from various law enforcement offices or subject-matter experts within the Department. Factors considered include, but are not limited to threat, vulnerability, miles of the border, and other border-specific law enforcement intelligence, as well as the feasibility of FY 2021 Operations Orders to designated localities within border states and territories.

## F. Federal Award Administration Information

### 1. **Notice of Award**

Before accepting the award, the AOR and recipient should carefully read the award package. The award package includes instructions on administering the grant award and the terms and conditions associated with responsibilities under federal awards. **Recipients must accept all conditions in this NOFO and the [Preparedness Grants Manual](#) as well as any specific terms and conditions in the Notice of Award to receive an award under this program.**

See the [Preparedness Grants Manual](#) for information on Notice of Award.

## 2. Pass-Through Requirements

Awards made to the SAA for HSGP carry additional pass-through requirements. Pass-through is defined as an obligation on the part of the SAA to make funds available to local units of government, combinations of local units, tribal governments, or other specific groups or organizations. Four requirements must be met to pass-through grant funds:

- The SAA must make a firm written commitment to passing through grant funds to subrecipients;
- The SAA's commitment must be unconditional (i.e., no contingencies for the availability of SAA funds);
- There must be documentary evidence (i.e., award document, terms, and conditions) of the commitment; and
- The award terms must be communicated to the subrecipient.

### **Timing and Amount**

The SAA must pass-through at least 80 percent of the funds awarded under the SHSP and UASI to local or tribal units of government within 45 calendar days of receipt of the funds. "Receipt of the funds" occurs either when the SAA accepts the award or 15 calendar days after the SAA receives notice of the award, whichever is earlier.

SAA's are sent notification of HSGP awards via the GPD's ND Grants system. If an SAA accepts its award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar days pass-through period will start on the date the SAA accepted the award. Should an SAA not accept the HSGP award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar days pass-through period will begin 15 calendar days after the award notification is sent to the SAA via the ND Grants system.

It is important to note that the period of performance start date does not directly affect the start of the 45-calendar days pass-through period. For example, an SAA may receive notice of the HSGP award on September 20, 2021, while the period of performance dates for that award are October 1, 2021, through September 30, 2024. In this example, the 45-day pass-through period will begin on the date the SAA accepts the HSGP award or October 5, 2021 (15 calendar days after the SAA was notified of the award), whichever date occurs first. The period of performance start date of October 1, 2021 would not affect the timing of meeting the 45-calendar day pass-through requirement.

### **Other SHSP and UASI Pass-Through Requirements**

The signatory authority of the SAA must certify in writing to DHS/FEMA that pass-through requirements have been met. A letter of intent (or equivalent) to distribute funds is not considered sufficient. The pass-through requirement does not apply to SHSP awards made to the District of Columbia, Guam, American Samoa, the U.S. Virgin Islands, or the Commonwealth of the Northern Mariana Islands. The Commonwealth of Puerto Rico is required to comply with the pass-through requirement, and its SAA must also obligate at least 80 percent of the funds to local units of government within 45 calendar days of receipt of the funds.

Under SHSP, the SAA may retain more than 20 percent of funding for expenditures made by the state on behalf of the local unit(s) of government. This may occur only with the written consent of the local unit of government, specifying the amount of funds to be retained and the intended use of funds. States shall review their written consent agreements yearly and ensure that they are still valid. If a written consent agreement is already in place from previous fiscal years, DHS/FEMA will continue to recognize it for FY 2021, unless the written consent review indicates the local government is no longer in agreement. If modifications to the existing agreement are necessary, the SAA should contact their assigned FEMA HQ Preparedness Officer.

### **Additional OPSG Requirements**

The recipient is prohibited from obligating or expending funds provided through this award until each unique and specific county-level or equivalent Operational Order/Fragmentary Operations Order budget has been reviewed and approved through an official electronic mail notice issued by DHS/FEMA removing this special programmatic condition.

### **3. Administrative and National Policy Requirements**

In addition to the requirements of in this section and in this NOFO, FEMA may place specific terms and conditions on individual awards in accordance with 2 C.F.R. Part 200.

In addition to the information regarding DHS Standard Terms and Conditions and Ensuring the Protection of Civil Rights, see the [Preparedness Grants Manual](#) for additional information on administrative and national policy requirements, including the following:

- EHP Compliance
- FirstNet
- NIMS Implementation
- SAFECOM

#### **a. *DHS Standard Terms and Conditions***

All successful applicants for DHS grant and cooperative agreements are required to comply with DHS Standard Terms and Conditions, which are available online at [DHS Standard Terms and Conditions](#).

The applicable DHS Standard Terms and Conditions will be those in effect at the time the award was made. What terms and conditions will apply for the award will be clearly stated in the award package at the time of award.

#### **b. *Ensuring the Protection of Civil Rights***

As the Nation works towards achieving the [National Preparedness Goal](#), it is important to continue to protect the civil rights of individuals. Recipients and subrecipients must carry out their programs and activities, including those related to the building, sustainment, and delivery of core capabilities, in a manner that respects and ensures the protection of civil rights for protected populations.

Federal civil rights statutes, such as Section 504 of the Rehabilitation Act of 1973 and Title VI of the Civil Rights Act of 1964, along with FEMA regulations, prohibit discrimination on the basis of race, color, national origin, sex, religion, age, disability, limited English proficiency, or economic status in connection with programs and activities receiving [federal financial assistance](#) from FEMA.

The DHS Standard Terms and Conditions include a fuller list of the civil rights provisions that apply to recipients. These terms and conditions can be found in the [DHS Standard Terms and Conditions](#). Additional information on civil rights provisions is available at <https://www.fema.gov/about/offices/equal-rights>.

Monitoring and oversight requirements in connection with recipient compliance with federal civil rights laws are also authorized pursuant to 44 C.F.R. Part 7.

**c. *EHP Compliance***

As a federal agency, FEMA is required to consider the effects of its actions on the environment and historic properties to ensure that all activities and programs funded by FEMA, including grant-funded projects, comply with federal EHP laws, Executive Orders, regulations, and policies, as applicable.

**Recipients and subrecipients proposing projects that have the potential to impact the environment, including, but not limited to, the construction of communication towers, modification or renovation of existing buildings, structures, and facilities, or new construction including replacement of facilities, must participate in the FEMA EHP review process.** The EHP review process involves the submission of a detailed project description along with any supporting documentation requested by FEMA in order to determine whether the proposed project has the potential to impact environmental resources or historic properties.

In some cases, FEMA is also required to consult with other regulatory agencies and the public in order to complete the review process. Federal law requires EHP review to be completed before federal funds are released to carry out proposed projects. FEMA may not be able to fund projects that are not in compliance with applicable EHP laws, Executive Orders, regulations, and policies.

DHS and FEMA EHP policy is found in directives and instructions available on the [FEMA.gov EHP page](#), the FEMA website page that includes documents regarding EHP responsibilities and program requirements, including implementation of the National Environmental Policy Act and other EHP regulations and Executive Orders.

The GPD EHP screening form is located at <https://www.fema.gov/media-library/assets/documents/90195>. Additionally, all recipients under this funding opportunity are required to comply with the FEMA GPD EHP Policy Guidance, FEMA Policy #108-023-1, available at <https://www.fema.gov/media-library/assets/documents/85376>.

**d. *NIMS Implementation***

In expending funds under this program, recipients that are state, local, tribal, or territorial governments must ensure and maintain adoption and implementation of NIMS. The state, local, tribal, or territorial government must show adoption of NIMS during any point of the period of performance. The list of objectives used for progress and achievement reporting is at <https://www.fema.gov/emergency-managers/nims/implementation-training>.

Emergency management and incident response activities require carefully managed resources (personnel, teams, facilities, equipment, and/or supplies) to meet incident needs. Using standardized resource management concepts such as typing, credentialing, and inventorying, promote a strong national mutual aid capability needed to support delivery of core capabilities. Additional information on resource management, NIMS resource typing definitions, job titles, and position qualifications is on FEMA's website at <https://www.fema.gov/emergency-managers/nims/components>.

FEMA developed the [National Incident Management System Guideline for the National Qualification System](#) to describe national credentialing standards and to provide written guidance regarding the use of those standards. This guideline describes credentialing and typing processes and identifies tools which Federal Emergency Response Officials and emergency managers at all levels of government may use both routinely and to facilitate multijurisdictional coordinated responses.

Although state, local, tribal, and private sector partners (including nongovernmental organizations) are not required to credential their personnel in accordance with these guidelines, FEMA strongly encourages them to do so to leverage the federal investment in the Federal Information Processing Standards 201 infrastructure and to facilitate interoperability for personnel deployed outside their home jurisdiction.

Additional information about NIMS in general is available at <https://www.fema.gov/emergency-managers/nims>.

**e. *Emergency Communications Investments***

If an entity uses HSGP funding to support emergency communications investments, the following requirements shall apply to all such grant-funded communications investments in support of the emergency communications priorities and recognized best practices:

- The signatory authority for the SAA must certify in writing to DHS/FEMA their compliance with the *SAFECOM Guidance*. The certification letter should be coordinated with the SWIC for each state and must be uploaded to ND Grants at the time of the first Program Performance Report (PPR) submission.
- All states and territories must designate a full-time SWIC who has the authority and resources to actively improve interoperability with emergency management and response agencies across all levels of government, to include establishing statewide plans, policies, and procedures, and coordinating decisions on communications investments funded through federal grants. Note that the designated full-time SWIC may also be the state's or territory's cybersecurity point of contact. SWIC status

information will be maintained by CISA and will be verified by FEMA GPD through programmatic monitoring activities.

- By the period of performance end date, all states and territories must update the SCIP, with a focus on communications resilience/continuity, to include assessment and mitigation of all potential risks identified in the SCIP: natural disasters, accidental damage (human failures), intentional damage (sabotage, terrorism), cybersecurity, etc. Following the initial update, the SCIP should be updated on an annual basis. SCIP status information will be maintained by CISA and will be verified by FEMA GPD through programmatic monitoring activities.

All states and territories must test their emergency communications capabilities and procedures (as outlined in their operational communications plans) in conjunction with regularly planned exercises (separate/addition emergency communications exercises are not required) and must submit an After Action Report/Improvement Plan (AAR/IP) to the Homeland Security Exercise and Evaluation Program's (HSEEP) electronic message inbox at [hseep@fema.gov](mailto:hseep@fema.gov) within 90 days of exercise completion. Exercises should be used to both demonstrate and validate skills learned in training and to identify gaps in capabilities. Resilience and continuity of communications should be tested during training and exercises to the greatest extent possible. Further, exercises should include participants from multiple jurisdictions, disciplines, and levels of government and include emergency management, emergency medical services, law enforcement, interoperability coordinators, public health officials, hospital officials, officials from colleges and universities, and other disciplines and private sector entities, as appropriate. Findings from exercises should be used to update programs to address gaps in emergency communications as well as emerging technologies, policies, and partners. Recipients are encouraged to increase awareness and availability of emergency communications exercise opportunities across all levels of government.

States, territories, and other eligible grant recipients are advised that HSGP funding may be used to support communications planning (including the cost of hiring a SWIC, participation in governance bodies and requirements delineated above), training, exercises, and equipment costs. Costs for transitioning to the FirstNet network may also be eligible. More information regarding FirstNet can be found in the [Preparedness Grants Manual](#).

#### **4. Reporting**

Recipients are required to submit various financial and programmatic reports as a condition of award acceptance. Future awards and funds drawdown may be withheld if these reports are delinquent.

See the [Preparedness Grants Manual](#) for information on reporting requirements, as well as the above section, "Emergency Communications Investments," specific reporting requirements for emergency communications investments.

#### **5. Monitoring and Oversight**

Per 2 C.F.R. § 200.337, FEMA, through its authorized representatives, has the right, at all reasonable times, to make site visits or conduct desk reviews to review project accomplishments and management control systems to review award progress and to provide



any required technical assistance. During site visits or desk reviews, FEMA will review recipients' files related to the award. As part of any monitoring and program evaluation activities, recipients must permit FEMA, upon reasonable notice, to review grant-related records and to interview the organization's staff and contractors regarding the program. Recipients must respond in a timely and accurate manner to FEMA requests for information relating to the award.

See the [Preparedness Grants Manual](#) for information on monitoring and oversight.

## **G. DHS Awarding Agency Contact Information**

### **1. Contact and Resource Information**

#### **a. *Program Office Contact***

FEMA has assigned state-specific Preparedness Officers for the HSGP. If you do not know your Preparedness Officer, please contact CSID by phone at (800) 368-6498 or by email at [askcsid@fema.dhs.gov](mailto:askcsid@fema.dhs.gov), Monday through Friday, 9:00 AM – 5:00 PM ET.

#### **b. *Centralized Scheduling and Information Desk (CSID)***

CSID is a non-emergency comprehensive management and information resource developed by FEMA for grants stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the federal, state, and local levels. When necessary, recipients will be directed to a federal point of contact who can answer specific programmatic questions or concerns. CSID can be reached by phone at (800) 368-6498 or by e-mail at [askcsid@fema.dhs.gov](mailto:askcsid@fema.dhs.gov), Monday through Friday, 9 AM – 5 PM ET.

#### **c. *GPD Award Administration Division***

GPD's Award Administration Division (AAD) provides support regarding financial matters and budgetary technical assistance. Additional guidance and information can be obtained by contacting the AAD's Help Desk via e-mail at [ASK-GMD@fema.dhs.gov](mailto:ASK-GMD@fema.dhs.gov).

#### **d. *Equal Rights***

The FEMA Office of Equal Rights (OER) is responsible for compliance with and enforcement of federal civil rights obligations in connection with programs and services conducted by FEMA and recipients of FEMA financial assistance. All inquiries and communications about federal civil rights compliance for FEMA grants under this NOFO should be sent to [FEMA-CivilRightsOffice@fema.dhs.gov](mailto:FEMA-CivilRightsOffice@fema.dhs.gov).

#### **e. *Environmental Planning and Historic Preservation***

GPD's EHP Team provides guidance and information about the EHP review process to recipients and subrecipients. All inquiries and communications about GPD projects under this NOFO or the EHP review process, including the submittal of EHP review materials, should be sent to [gpdehpinfo@fema.dhs.gov](mailto:gpdehpinfo@fema.dhs.gov).

## 2. Systems Information

### a. *Grants.gov*

For technical assistance with [Grants.gov](https://www.grants.gov), call the customer support hotline 24 hours per day, 7 days per week (except federal holidays) at (800) 518-4726 or e-mail at [support@grants.gov](mailto:support@grants.gov).

### b. *Non-Disaster (ND) Grants*

For technical assistance with the ND Grants system, please contact the ND Grants Helpdesk at [ndgrants@fema.gov](mailto:ndgrants@fema.gov) or (800) 865-4076, Monday through Friday, 9:00 AM – 6:00 PM ET. User resources are available at <https://www.fema.gov/grants/guidance-tools/non-disaster-grants-management-system>

### c. *Payment and Reporting System (PARS)*

FEMA uses the [Payment and Reporting System \(PARS\)](#) for financial reporting, invoicing, and tracking payments. FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to recipients. To enroll in the DD/EFT, recipients must complete a Standard Form 1199A, Direct Deposit Form. If you have questions about the online system, please call the Customer Service Center at (866) 927-5646 or email [ask-GMD@fema.dhs.gov](mailto:ask-GMD@fema.dhs.gov).

### d. *Supplemental Information: Reporting Systems*

In addition to ND Grants, the following information systems are used for the submission of required reports:

- **GRT:** Information on the GRT can be found in the [Preparedness Grants Manual](#).
- **Unified Reporting Tool (URT):** Information on the URT can be found in the [Preparedness Grants Manual](#).

## H. Additional Information

GPD has developed the [Preparedness Grants Manual](#) to guide applicants and recipients of grant funding on how to manage their grants and other resources. Recipients seeking guidance on policies and procedures for managing preparedness grants should reference the Preparedness Grants Manual for further information. Examples of information contained in the [Preparedness Grants Manual](#) include:

- Actions to Address Noncompliance
- Audits
- Case Studies and Use of Grant-Funded Resources During Real-World Incident Operations
- Community Lifelines
- Conflicts of Interest in the Administration of Federal Awards and Subawards
- Disability Integration
- National Incident Management System
- Payment Information
- Period of Performance Extensions
- Procurement Integrity

- Record Retention
- Whole Community Preparedness
- Other Post-Award Requirements

## 1. Termination Provisions

FEMA may terminate a federal award in whole or in part for one of the following reasons. FEMA and the recipient must still comply with closeout requirements at 2 C.F.R. §§ 200.344-200.345 even if an award is terminated in whole or in part. To the extent that subawards are permitted under this NOFO, pass-through entities should refer to 2 C.F.R. § 200.340 for additional information on termination regarding subawards.

### a. *Noncompliance*

If a recipient fails to comply with the terms and conditions of a federal award, FEMA may terminate the award in whole or in part. If the noncompliance can be corrected, FEMA may first attempt to direct the recipient to correct the noncompliance. This may take the form of a Compliance Notification. If the noncompliance cannot be corrected or the recipient is non-responsive, FEMA may proceed with a Remedy Notification, which could impose a remedy for noncompliance per 2 C.F.R. § 200.339, including termination. Any action to terminate based on noncompliance will follow the requirements of 2 C.F.R. §§ 200.341-200.342 as well as the requirement of 2 C.F.R. § 200.340(c) to report in FAPIIS the recipient's material failure to comply with the award terms and conditions. See also the section on Actions to Address Noncompliance in this NOFO or in the [Preparedness Grants Manual](#).

### b. *With the Consent of the Recipient*

FEMA may also terminate an award in whole or in part with the consent of the recipient, in which case the parties must agree upon the termination conditions, including the effective date, and in the case of partial termination, the portion to be terminated.

### c. *Notification by the Recipient*

The recipient may terminate the award, in whole or in part, by sending written notification to FEMA setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. In the case of partial termination, FEMA may determine that a partially terminated award will not accomplish the purpose of the federal award, so FEMA may terminate the award in its entirety. If that occurs, FEMA will follow the requirements of 2 C.F.R. §§ 200.341-200.342 in deciding to fully terminate the award.

## 2. Period of Performance Extensions

Extensions to the period of performance (POP) for this program are allowed. Extensions to the POP identified in the award will only be considered through formal, written requests to the recipient's FEMA Preparedness Officer and must contain specific and compelling justifications as to why an extension is required. Recipients are advised to coordinate with the FEMA Preparedness Officer as needed when preparing an extension request. Please see the [Preparedness Grants Manual](#) for more information.



LOS ANGELES COUNTY/DEPARTMENT OF AUDITOR-CONTROLLER

**SHARED SERVICES DIVISION  
GRANT PAYMENT REQUEST**

**SECTION A: SUBMITTING YOUR REQUEST**

<p>Please submit Grant Payment Request Form along with <b>legible</b> supporting documents to:  <a href="mailto:Grants@auditor.lacounty.gov">Grants@auditor.lacounty.gov</a></p> <p>In the event e-mail is not available, you can mail your Grant payment request to (please do <b>not</b> fax or send duplicates):                  Department of Auditor-Controller                  Shared Services Division / Attn: Grants Unit                  3470 Wilshire Blvd., Suite 812                  Los Angeles, CA 90010</p>	<p>1. Grant Name &amp; Year:</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
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**SECTION B: SUB-RECIPIENT'S INFORMATION**

1. Sub-recipient's Name: (reimbursement check will be made payable to a payee entered)	3. Taxpayer ID #:	4. Contact's Name:
2. Mailing Address (please let us know where you want your check delivered, including attention line if necessary):		4. Contact's phone:
		4. Contact's e-mail:

**SECTION C: DETAIL PAYMENT REQUEST INFORMATION**

1. SOLUTION AREA <small>(e.g. equipment, training, planning, exercise, organization)</small>	2. PROJECT # <small>(e.g. 011.22)</small>	4. EHP required? <small>(Environmental &amp; Historic Preservation)</small>		5. VENDOR'S INVOICE # <small>(Maximum of 5 invoices)</small>	6. PURCHASE METHOD <small>(including Training)</small>			7. CLAIM AMOUNT <small>(indicate the amount per each line)</small>
		No	Yes <small>(attach State Approval)</small>		If Competitive, <small>indicate the # of bids.</small>	Non-Competitive Bid	Sole Source	
<b>8. TOTAL</b> \$								-

**SECTION D: SUB-RECIPIENT'S CERTIFICATION**      **SECTION E: FOR SSD USE ONLY**

<p>I certify that (please use the checkbox):</p> <p><input type="checkbox"/> 1. I am the duly authorized officer of the claimant herein and this claim is in all respect true and correct. All expenditures were made in accordance with applicable laws, rules, regulations and grant conditions and assurances.</p> <p><input type="checkbox"/> 2. All instructions for this form were followed and all the supporting documentation (per instructions) is included with this claim.</p> <p>3. _____  <small style="display: inline-block; width: 150px; text-align: center;">AUTHORIZED SIGNATURE</small>      <small style="display: inline-block; width: 100px; text-align: center;">DATE</small></p> <p>4. _____  <small style="display: inline-block; width: 150px; text-align: center;">AUTHORIZED PRINTED NAME</small>      <small style="display: inline-block; width: 100px; text-align: center;">AUTHORIZED TITLE</small></p> <p>5. AUTHORIZED CONTACT INFORMATION (If different from Section B):</p> <p>PHONE # _____</p> <p>E-MAIL: _____</p>	<p style="text-align: center;">STAMP WITH RECEIVED DATE HERE:</p>   <p style="text-align: center;">ASSIGNED INVOICE NO.:</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>
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**NOTE: This Form is intended for Internal SSD review purpose only.**  
 Revised on December 2019

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER / SHARED SERVICES DIVISION  
INSTRUCTIONS TO COMPLETE THE GRANT PAYMENT REQUEST**

**Purpose of these instructions:**

To assist sub-recipients in completing the Grant Payment Request. We appreciate your participation in this program, for questions or suggestions please use our e-mail below to contact us. **Please do not send these instructions to us, they are to be used for your guidance only.**

**SECTION A: GENERAL INSTRUCTIONS FOR SUBMISSION OF GRANT PAYMENT REQUEST**

In numeral **1** of this section, please enter the name and year of the grant program that you are submitting for payment. In addition, please help us expedite the process of your Homeland Security claims by:

- Completing the Grant payment request correctly and according to these instructions.
- Submitting your Grant payment request using our e-mail --> **Grants@auditor.lacounty.gov** (please do **not** fax documents).
- Sending your Grant payment request only once (we do not require original documents and duplicates will slow down our process).
- Using the checkboxes to ensure all the required supporting documents and files accompany your Grant payment request. Supporting documents are flagged for your convenience with a checkbox within the corresponding areas.
- Ensuring that all documents attached to your Grant payment requests are legible.
- Submitting Grant payment request timely. We do **not** guarantee the process of Grant payment requests that are submitted late or too close to the final due date. Reimbursable expenditures need to be charged within the performance period of the grant and submitted to us as soon as they are incurred.

**SECTION B: SUB-RECIPIENT'S INFORMATION**

**The following numerals provide the instructions to fill in the corresponding numeral in the form:**

1. Please enter the name of the agency requesting for payment. The name of the agency should be typed according to its signed agreement and as you need it to appear in the payee line of the reimbursement check.
2. Please enter the complete address (street number and name, city, zip code) and attention line where you will need to receive the reimbursement check. Please note that this is not necessary for L.A. County departments.
3. Please enter the tax ID of the governmental entity requesting payment. Please leave blank for L.A. County departments.
4. Please enter the information of the person that can assist us with detail claim questions.

**SECTION C: DETAIL PAYMENT REQUEST INFORMATION:**

In order to expedite your Grant payment request, in this area's grid, include a **maximum of five (5) invoices or reimbursements charges (one charge or one invoice per line)**. The invoices or charges need to share the same solution area, project #.

**The following numerals provide the instructions to fill in the corresponding numeral in the form:**

1. Enter the solution area corresponding to the claim. This information is found in the latest budget of the grant. Examples of solution areas are: equipment, training, planning or exercise.
2. Enter the project # corresponding to the claim. This information is found in the latest budget of the grant. An example of Item # is 17.020.
4. Check with an X under either yes or no according to the claim's Environmental & Historical Preservation (EHP) requirements from the State. EHP approval needs to be obtained from the State **prior** to the start of the project on certain equipment items (see AEL description) or training/exercise projects. Please attach the following:
  - a)  **State EHP Approval:** if required by the state for your claim.

**SECTION C: (Continued)**

5. If the expenditures that you are claiming were purchased thru a vendor or contractor, please enter the invoice # in the grid area. Please note that you are responsible for following acceptable purchasing policies and for documenting your procurement process. Additionally please include the following documentation with your claim:
- a)  **Copy of the invoice:** Please attach an invoice that provides sufficient information to be used as a cross reference with the items described in your grant line item and AEL #. When the invoice includes items that are not being claimed or that belong to different claims or grants, please circle and designate on the invoice the items that you are requesting for reimbursement. Each item circled must have a project #, a funding source, and a total. Purchase orders and price quotes will not be accepted in the place of the invoice.
  - b)  **Copy of the purchase order**
  - c)  **Print out of the corresponding AEL # (Authorized Equipment List number).** The AEL listing can be found at: [https://www.rkb.us/fema\\_grants.cfm](https://www.rkb.us/fema_grants.cfm)
  - d)  **Proof of payment of the invoice:** The proof of payment for L.A. County Departments is the printout from e-CAPS showing that the check cleared the bank. The proof of payment for **other** than L.A. County Department is the corresponding copy of the bank's cleared check .
  - e)  **Calculations for use tax paid:** When use tax is paid, clearly show the calculations of the use tax in the invoice included in your claim.
  - f)  **Proof of payment of the use tax:** Please provide official documents which authenticate the remittance of the use tax to the state, the amount and the reference to the invoice being claimed.
  - g)  **Federal Debarment Listing:** Please provide a screen print out of the queried Federal Debarment Listing at <http://www.sam.gov/portal/public/SAM>. (you will need a username and a password; if you don't please create an account) . The listing needs to be queried **prior** to the selection of the vendor.
6. If you are claiming services, supplies, training related costs, or any other type of items purchased thru a vendor or contractor or government agency, please indicate with an X the method that you used to acquire the items (do **not** leave blank or mark more than one). Please note that competitive bid, non-competitive bid or sole source are the only valid purchasing methods.
- a)  **Competitive Bid:** for projects that received more than one bid. Please indicate number of bids received (must be more than one).
  - b)  **Non-Competitive Bid:** for single bid purchases of \$250,000 or more (effective June 21, 2018) to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State **prior** to the start of the project.
  - c)  **Sole Source:** for non-bid purchases of \$250,000 or more effective (June 21, 2018) to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State **prior** to the start of the project.
7. Enter the amount of your claim after you verify that your budget is sufficient to cover your request. When the amount of the budget is not sufficient, please let your Program Coordinator know of the possible need for budget modification.
8. Enter the "Total Amount" by adding the subtotal claims included in each line.

**SECTION D: SUB-RECIPIENT'S CERTIFICATION**

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Please read and check the box provided if you are an authorized signor.
2. Please read and check the box provided if you are an authorized signor.
3. Please sign the Grant payment request if you are an authorized signor of your agency.
- 4 & When the authorized person is the same as the contact person in Section B you do not need to enter the authorized contact information. If the
5. authorized person and the contact person in Section B are different, please enter all the fields in this area as requested.

**ADDITIONAL ITEMS THAT YOU NEED TO ATTACH TO YOUR GRANT PAYMENT REQUEST:**

**For Equipment Claims:**

- a)  **Equipment Inventory Listing (Print out & Excel File):** Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits. If there is no serial # for your equipment please assign a valid ID tag, or write "Consumable" (if it applies) or write N/A. please do NOT leave the corresponding space blank. <sup>\*1</sup>Please refer to the **Instructions to Equip Inty Tab for completion procedures of Equipment Inventory.**

Additionally, please enter the appropriate CBRNE Mission (Chemical, Biological, Radiological, Nuclear, or Explosive) in the column titled "Equipment Description & Quantity". This only applies to vehicles with AEL # 12VE-00-MISS (Vehicle Specialized Mission:CBRNE).

**You need to inform us of any changes on the items above <sup>\*1</sup>. This applies to each piece of equipment added in the Inventory Listing, including when the items are disposed and/or no longer useful. We will update the master inventory listing (per grant requirement) according to the information you give us. Please make sure that you include all the attachments that are necessary to provide us with the requested information.**

**For Training Claims:**

- a)  **State Sole Source Approval:** If you are claiming training related costs thru a Non-Competitive Bid or Sole Source training provider, regardless the purchased amount, please attach the State's approval (effective December 03, 2018). The approval needs to be requested from the State prior to the start of the project.
- b)  **State-Sponsored Training Reporting Form (with the tracking request #):** Please add this form along with the Training Request Form Training Officer (POC), which you completed at the website, to the claim's backup documentation. All the backup documentation submitted for the training claim needs to agree with the training period and the detail description on the Training Reporting Form and the line item of the Grant. Training request #'s must be obtained from the State prior to the start of the project.
- c)  **Receipts and paid invoices:** please include the complete copy of the receipts and paid invoices with your claim for itemized costs such as air plane tickets, hotel stays, instructor's fees, workshop cost, facilities fees, consulting services, etc. Additionally, you will need to include the documents requested in numeral 5 under Section C.

If you are including **personnel cost** with your training claim, please add the following:

- d)  **Personnel List (Print out & Excel File):** Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits.
- e)  **Documents that certify completion of the training:** please attach supporting documents that show the class name, dates of training, # of hours of the training class, printed name and signature of individual taking the class and approval signature from supervisor or trainer (attach the information for backfilled positions also). Examples of documents that certify completion of training are:
- Attendance sheets (signed by employee and instructor)
  - Sign in sheets (same as above)
  - Signed training certificates
- f)  **Summary Listing of Charges:** Please use the **Training Summary Sheet** form provided in this claim packet that **clearly** shows the breakdown of the training charges per employee and that match the total claimed. This form includes the following: employee name, assignment, job title, date, salary, hours claimed, regular rate, overtime rate, employee benefits rate, claim amount per employee, clear calculations of amount claimed per employee and total (equal to the amount claimed).

**Please ensure that the Training Summary Sheet is verified/approved by an authorized signatory, with printed name and title, and dated.**

- g)  **Backup for the Benefits Rate:** If you are adding benefits to your claim, please make sure that you include the official calculation for the rate used.
- h)  **Timecards:** Include a printout of the corresponding timecards. Manual timecards need to indicate the # of hours charged per day to the grant, supervisor's signature, employee name and signature. Automatic system generated timecards need to be approved and include the name of the employee and hours charged per day to the grant.
- i)  **Explanation of timekeeping codes:** When the supporting documentation (timesheet, payroll register, etc.) includes timekeeping codes please provide a printout with the explanation of the usage as detailed as possible.

- j)  **Payroll register:** The payroll register needs to clearly support and explain the amount claimed per employee. It also needs to show the salary, hourly rate, employee benefits and overtime rate.
- k)  **Roster of backfilled positions:** When you are claiming overtime for a backfilled position, please attach the backfilled roster to your claim. The roster needs to include the name of the backfilling employees, a short description of duties performed, the corresponding employee whose duties were covered and the dates accordingly. Please make sure that the roster is signed and that you include documentation corresponding to the employee covered by the backfilling position.

**For Planning Claims:**

- a)  **Deliverable (or final product):** Please include with your claim the final product of the planning activity (deliverable) that was identified in the grant award.
- b)  **Signed Certificate of Completion:** The certificate of completion can be an e-mail confirming that the planning activity was completed.
- c)  **Invoices:** If your planning claim includes charges invoiced by vendors, please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).
- d)  **Supporting Documentation for Personnel Cost:** When your planning claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

**For Exercise Claims:**

- a)  **Proof of State Approval of After Action Report (AAR):** In order for your AAR to be approved you have to submit it to the State using the ODP Portal (see link below), within 90 days after completion of the exercise. You need to notify the State when the AAR is uploaded so they can proceed with the approval process.

[https://hseep.dhs.gov/DHS\\_SSO/](https://hseep.dhs.gov/DHS_SSO/)

- b)  **Invoices:** If your exercise claim includes charges invoiced by vendors please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).
- c)  **Supporting Documentation for Personnel Cost:** When your exercise claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

**For Organization Claims: Please see above b) and c) under Exercise Claims**





## Equipment Inventory Listing Procedures for Completion

**OBJECTIVE:** To provide an equipment inventory listing that links the State Homeland Security Workbook, to the Equipment Ledger and to the Equipment Listing to simplify the tracking and accountability; and to eliminate duplication and confusion.

<u>Field</u>	<u>Date Element</u>	<u>Procedure</u>
(1)	Grant Name	SHSP or EMPG
(2)	Sub-Recipient	Name of your agency
(3)	Date of Report	Date report completed {1}
(4)	Grant Year	Grant Year of funds used to purchase equipment
(5)	Project #	Project Number (from Grant Workbook Project Sheets)
(7)	AEL No.	Authorized Equip Listing No (from Grant Workbook)
(8)	Description	Description of the equipment
(9)	Serial # or Other ID #	Serial # or Other identification # used
(10)	Safecom consult	Fill out either by Yes, No, or N/A
(11)	Source of Property	Funding source, i.e, SHSP, EMPG, etc.
(12)	Title Holder	Name of agency (City/Department)
(13)	Vendor Name	Name of the vendor
(14)	Invoice Number	Invoice number
(15)	Acquisition Date	Date equipment acquired
(16)	Acquisition Cost	Cost of the individual equipment item
(17)	% of Fed Part	Fed participation in the cost of equipment
(18)	Location	Location of equipment
(19)	Use & Condition	Use & condition {2}
(20)	Disposition data	Date of disposition
(21)	Sale Price	Sale price, If applicable, or N/A for not applicable

The Equipment Inventory Listing must be completed in its entirety to meet the objective of the form.

Note {1}: This date should be the date the physical inventory of equipment was taken and the results reconciled with the equipment records (at least once every two years).

{2} Indicate: N = New, D = Deployed, O = Out of Service, L = Lost & S = Stolen

### Distribution

Copy maintained in sub-recipient file

Copy forwarded to Shared Services Division



CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

PLANNING ROSTER										
Project	Planning Activity	Solution Area Sub-Category	Discipline	Funding Source	Total Cost	Total Claimed	Cash Request Number	Final Product		
					-	-				
<b>GRAND TOTAL</b>							\$			

Approved by:

\_\_\_\_\_

Authorized Signature

\_\_\_\_\_

Print Name and Title

\_\_\_\_\_

Date



## 8. Notes on Personnel Cost:

### **In general, costs associated with:**

- Work performed under contract for a specific deliverable DOES NOT count against the personnel cap, however,
- Work performed under contract for an undefined period, such as for personnel costs supporting operational activities, including general planning, training or exercise activities DO count against the personnel cap; and
- Work performed by all non-contractor personnel, including for full- or part-time staff and operational overtime DO count against the personnel cap.

### **The following examples would not count towards the personnel cap:**

- Vendor installation of a radio tower;
- Vendor training on new equipment purchased;
- Contractor hired to create an Emergency Operations Plan;
- Contractor hired to provide deliveries of ICS 400; and
- Contractor hired to assist with planning, training, evaluating, and reporting the effectiveness of a specific exercise.

### **The following examples would count towards the personnel cap:**

- Contractor hired to be the State's WMD training instructor with no specific deliverables under contract;
- Contractor hired to facilitate unidentified number of exercises throughout the performance period;
- Contractor hired to be the part-time auditor of Homeland Security Grants throughout the year; and
- Contractor hired to be an intelligence analyst.









***Subrecipient Monitoring Instrument***

**Subrecipient Monitoring Instrument**

**PROJECT TITLE**

Los Angeles County State Homeland Security Program  
Monitoring Reports

**A. FINANCIAL REPORTING REQUIREMENTS**

**Objective**

To determine that the Subrecipient implemented corrective action to address findings noted in its Single Audit that is related to the Homeland Security Grant.

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comment</u>
1.	Was a Single Audit completed for Grant Year 2014-15 and 2015-16?			
2.	If yes, did the Subrecipient forward a copy to the Homeland Security Grant Administrator (HSGA) by March 30 <sup>th</sup> of the year following the audit?			
3.	Did the Single Audit(s) identify findings related to the Homeland Security Grant? If yes, please continue. If no, please mark N/A and continue to Section B.			
4.	Did the Subrecipient develop a corrective action plan that addresses the finding(s)?			
5.	Did the Subrecipient send a copy of a corrective action plan to the HSGA?			
6.	Did the Subrecipient implement the corrective action plan?			

**B. TRAINING****Objective**

To determine that the Training expenditures were appropriately documented and that the activities aligned with the project's goals and objectives. If the Training activities involved employees, determine if the Subrecipient appropriately documented the Training expenditures using employee timecards, sign-in sheets, and certificates of training. If the Training activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement procedures to hire the consultants or contractors. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1.	Did the Subrecipient receive funding for Training expenditures? If yes, then continue. If no, continue to next section.			
2.	Did the Subrecipient receive prior approval from the State either via email or other documentation and did it include the training course name and number?			
3.	If the Training expenditures relate to the use of employees, did the Subrecipient appropriately document the Training expenditures using employee timecards, sign-in sheets and certificates of training?			
4.	If Training expenditures relate to the use of consultants/contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?			
5.	Did the Subrecipient accurately report the Training expenditures in their accounting records?			
6.	For Projects with overtime expenditures for Training:			
	a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures?			
	b. Did the Subrecipient accurately report the overtime expenditures in their accounting records?			

**B. TRAINING (Continued)**

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
7. For Projects with backfill expenditures for Training:				
a. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?				
b. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and sign-in sheets?				
c. Did the Subrecipient accurately report the expenditures in their accounting records?				
8. Were employee timecards utilized in Training activities signed and dated by the employee and direct supervisor?				
9. Were the Training expenditures consistent with the State approved grant award and/or post award modification(s)?				
10. Ensure the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports submitted by HSGA:				
a. If the Project prior Grant Year monitoring report finding was resolved, explain resolution, and indicate such in the current report as resolved.				
b. If the Project prior Grant Year report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.				

**C. PLANNING****Objective**

To determine that the Planning expenditures were appropriately documented and that the activities aligned with the project's goals and objectives. If the Planning activities involved employees, determine if the Subrecipient appropriately documented the Planning expenditures using employee timecards and sign-in sheets. If the Planning activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement policies. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1. Did the Subrecipient receive funding for Planning expenditures? If yes, continue. If no, continue to next section.			
2. Did the Subrecipient appropriately document the Planning expenditures providing copies of the support documentation that indicated the efforts made to produce the final product and a copy of the product produced?			
3. If Planning expenditures relate to the use of employees, did the Subrecipient use employee timecards and sign-in sheets?			
4. If Planning expenditures relate to the use of consultants/contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?			
5. Did the Subrecipient accurately report the Planning expenditures in their accounting records?			
6. For Projects with overtime expenditures for Planning:			
a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures?			

**C. PLANNING (Continued)**

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
	b. Did the Subrecipient accurately report the overtime expenditures in their accounting records?			
7.	For Projects with backfill expenditures for Planning:			
	a. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?			
	b. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and sign-in sheets?			
	c. Did the Subrecipient accurately report the backfill expenditures in their accounting records?			
8.	Were the employee timecards utilized in Planning activities signed and dated by the employee and direct supervisor?			
9.	Were the Planning expenditures consistent with the State approved grant award and/or post award modification(s)?			
10.	Ensure the Subrecipient corrected area of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports submitted to HSGA:			
	a. If the project prior Grant Year monitoring report finding was resolved, explain resolution, and indicate such in the current report as resolved.			
	b. If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.			

**D. EQUIPMENT****Objective**

To determine that the project Equipment expenditures are supported by invoices and that a listing of the Equipment/property is maintained by the Subrecipient. To determine that the purchases are aligned with the project's goals and objectives. Use Worksheets 2 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1.	Did the Subrecipient receive funding for Equipment expenditures? If yes, continue. If no, continue to next section.			
2.	Did the Subrecipient maintain invoices to support the Equipment expenditures?			
3.	Did the Subrecipient follow proper procurement procedures to purchase the Equipment and were the items listed in the federal "Authorized Equipment List" and/or "Standardized Equipment List"?			
4.	Did the Subrecipient accurately report the Equipment expenditures in their accounting records?			
5.	Did the Subrecipient maintain an Equipment inventory that listed the following: <ol style="list-style-type: none"> <li>a) Description of Equipment,</li> <li>b) Serial number or other identification number,</li> <li>c) AEL number,</li> <li>d) Fund/source/grant year,</li> <li>e) Title holder,</li> <li>f) 100 percent of federal participation. If no, then identify percentage,</li> <li>g) Acquisition date,</li> <li>h) Acquisition cost,</li> <li>i) Quantity,</li> <li>j) Equipment location,</li> <li>k) Use and condition of Equipment,</li> <li>l) Disposal date and sale price of the Equipment</li> </ol>			
6.	Did the Subrecipient conduct an inventory of Equipment purchased with Cal/OES grant funds at least once every two years?			

**D. EQUIPMENT (Continued)**

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
7.	Was the Equipment physically inspected to ensure:			
	a. The Equipment existed and agreed to inventory listing?			
	b. The Equipment worked and adequately trained staff are available to operate the Equipment?			
8.	Did the Subrecipient maintain Equipment in a secure location?			
9.	For property other than Equipment, i.e. supplies, did the Subrecipient have controls and accountability to safeguard and ensure that the items are used and solely for authorized purposes?			
10.	For Equipment disposal, if any:			
	a. Was the disposition consistent with federal regulations?			
	b. What is the status of the proceeds received from the disposal?			
11.	Did the Subrecipient have a policy for damaged, destroyed, lost or stolen Equipment including but not limited to informing the Cal/OES, steps to replace the Equipment and an investigative process?			
12.	Were the Equipment expenditures consistent with State approval grant award and/or post award modification(s)?			
13.	Ensure the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA:			
	a. If the project prior Grant Year monitoring report finding was resolved, explain resolution, and indicate such in the current report as resolved.			
	b. If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.			



**E. EXERCISE****Objective**

To determine that the Exercise expenditures were appropriately documented and the activities align with project's goals and objectives. If the Exercise activities involved employees, determine if the Subrecipient appropriately documented the Exercise expenditures using timecards and sign-in sheets. If the Exercise activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement procedure. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

<u>Verification</u>	Yes	No	<u>Comments</u>
1. Did the Subrecipient receive funding for Exercise expenditures? If yes, continue. If no, continue to next section.			
2. Did the Subrecipient receive prior approval from the State either via email or other documentation and did it include the Exercise course name and number?			
3. If the Exercise expenditures relate to the use of employees, did the Subrecipient appropriately document the Exercise expenditures using employee timecards, sign-in sheets, and certificates for Exercise?			
4. If the Exercise expenditures relate to the use of consultants/contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?			
5. Did the Subrecipient accurately report the Exercise expenditures in their accounting records?			
6. For Projects with overtime expenditures for Exercise:			
a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures?			
b. Did the Subrecipient accurately report the overtime expenditures in their accounting records?			
c. Did the Subrecipient accurately report the backfill expenditures in their accounting records?			
7. For Projects with backfill expenditures for Exercise:			
a. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?			
b. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and sign-in sheets?			

**E. EXERCISE (Continued)**

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
8. Were the employee timecards utilized in the Exercise activities signed and dated by the employee and direct supervisor?			
9. Were the Exercise expenditures consistent with the State approved grant award and/or post award modifications?			
10. Ensure the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports:			
a. If the Project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b. If the Project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.			

**F. ORGANIZATION****Objective**

To determine that the Organization expenditures were appropriately documented and that the activities align with the project's goals and objectives. If the Organization activities involved employees, determine if the Subrecipient appropriately documented the Organization expenditures using employee timecards and sign-in sheets. If the Organization activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement policies. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1. Did the Subrecipient receive funding for Organization expenditures? If so, continue. If no, continue to next section.			
2. If the Organization expenditures relate to the use of employees, did the Subrecipient document the expenditures using employee timecards, sign-in sheets, or with other support documentation that substantiated the expense?			
3. If the Organization expenditures relate to the use of consultants or contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?			
4. Did the Subrecipient accurately report the Organization expenditures in their accounting records?			
5. For Projects with overtime expenditures for Organization: <ul style="list-style-type: none"> <li data-bbox="334 1297 1019 1360">a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures?</li> <li data-bbox="334 1413 1019 1476">b. Did the Subrecipient accurately report the overtime expenditures in their accounting records.?</li> </ul>			

**F. ORGANIZATION (Continued)**

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
6. For Projects with backfill expenditures for Organization:			
b. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?			
c. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and other payroll documentation?			
7. Were employee timecards utilized in Organization activities signed and dated by the employee and direct supervisor?			
8. Were the Organization expenditures consistent with the State approved grant award and/or post award modification(s)?			
9. Ensure that the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA:			
a. If the Project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b. If the Project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.			



**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
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# STAFF REPORT

**Agenda Date:** 1/17/2023

---

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Mark Leyman, Parks and Recreation Director  
Melissa McCollum, Senior Recreation Manager  
Eilen R Stewart, Cultural Arts Manager

**SUBJECT:**

Approval of a Purchase of “Circles” Sculpture by CJ Rench, and Allocate \$25,000 from the Public Art Trust Fund (Parks and Recreation Director Leyman).

**A) APPROVE**

**B) ALLOCATE FUNDS FROM PUBLIC ART TRUST FUND**

---

**RECOMMENDATION:**

The Cultural Arts Commission recommends City Council approve the purchase of the sculpture “Circles” by artist CJ Rench, currently installed in Polliwog Park, and allocate \$25,000 from the Public Art Trust Fund.

**FISCAL IMPLICATIONS:**

Funding necessary for the sculpture purchase is \$25,000. The current balance in the Public Art Trust Fund (PATF) is \$2,243,999 with \$1,239,337 in allocated funds and \$1,004,662 in unallocated funds. Based on PATF program guidelines, \$124,259 of the unallocated balance is set to expire in December of 2023.

The Public Art Trust Ordinance became effective December 18, 2002. It sets aside a 1% development fee on residential properties of four or more units and every commercial and industrial building project with building valuation exceeding \$500,000. The funds are restricted to art projects.

**BACKGROUND:**

On December 18, 2018, City Council approved the installation of the artwork “Circles” by artist CJ Rench in Polliwog Park as part of the Sculpture Garden program. The sculpture was slated

to remain in that location for two years, ending its loan period in August of 2021. An honorarium of \$12,000 was paid to the artist for the loan of the artwork.

Due to challenges presented by the COVID-19 pandemic and the artist's schedule, the artwork was not collected at the end of the loan period and has remained in the same location. No additional funds were awarded to the artist in association with this extended term of the artwork loan. On January 11, 2022, City Council approved a work plan for the Cultural Arts Commission (CAC) that included researching the possibility of purchasing this artwork and permanently installing it in its current location.

**DISCUSSION:**

The artwork has been embraced by the public during its time in Polliwog Park, serving as a place to rest, a photo spot, and a play structure. The Cultural Arts Commission recommends making this artwork a permanent landmark of Polliwog Park.

This sculpture was created to be a temporary artwork participating in multiple Sculpture Garden programs around Southern California and being refinished by the artist in between installations. As such, the artwork has sustained damage to the painted surface in the marine climate of Manhattan Beach. Staff has consulted with the artist and he is willing to recreate this artwork using stainless steel and appropriate paint to survive this climate.

If City Council approves the purchase of this artwork, the artist will create a new identical piece suited to the Manhattan Beach climate. The current artwork will remain in place until such time that the new one is complete. The artist will then replace the existing piece with the new one. Additionally, the current artwork has suffered vandalism damage to its lighting and USB charger components. In order to avoid this issue in the future, staff recommends omitting these components on the new artwork. This would not alter the look of the piece as these components are hidden from view.

**PUBLIC OUTREACH:**

This item has been reviewed by City Council at the January 11, 2022, joint Council Commission meeting as well as at the September 19, 2022, Cultural Arts Commission meeting.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA.

Thus, no environmental review is necessary.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENT:**

1. Agreement - CJ Rench
2. PowerPoint Presentation

THE CITY OF MANHATTAN BEACH

\*\*\*\*\*

ART AGREEMENT

This Agreement is made and entered into as of this 17<sup>th</sup> day of January, 2023, by and between the City of Manhattan Beach, a municipal corporation (the “City”) and C.J. Rench DBA CJRDesign (“Artist”) (collectively referred to herein as the “Parties”, and individually as a “Party”).

RECITALS

- A. On December 18, 2018, the City selected the Artist to loan a sculpture entitled “Circles” for a two-year public display, as part of the City’s Sculpture Garden Exhibition, at Polliwog Park.
- B. The City now desires to purchase an identical sculpture to “Circles,” as is more particularly described in Exhibit A (the “Artwork”) to be permanently installed at the same site in Polliwog Park (“Site”).
- C. The Artist desires to create the Artwork and sell said Artwork to the City.
- D. The Artist represents that he has the appropriate background, training, and experience to create the Artwork.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions hereinafter set forth, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. SCOPE OF WORK

- A. In accordance with the terms of this Agreement and with the more detailed Scope of Work set forth in Exhibit A and hereby incorporated, the Artist shall create and install the Artwork – “Circles” – in Polliwog Park.
- B. The Artist shall guarantee the structural integrity and surface integrity of the Artwork for seven (7) years and complete any repairs related to the original creation of the Artwork in that time period at the expense of the Artist.
- C. The Artist shall perform all services required under this Agreement to the highest professional standards and in a manner reasonably satisfactory to the City. The Artist shall comply with all applicable federal, state, and local laws, ordinances, codes, and regulations.

II. AMOUNT AND MANNER OF PAYMENT

- A. In consideration of the Artist’s execution of the Artwork, the City shall pay the Artist a fixed sum of \$25,000 (the “Artist Fee”). The City shall pay \$12,500 to the

Artist upon execution of this Agreement, and shall pay the remaining \$12,500 to the Artist upon satisfactory completion and installation of the Artwork.

- B. After completing the Artwork and receiving final approval from the City's Parks and Recreation Director or designee, the Artist shall submit an invoice to the City for the Artist Fee. The City shall pay all undisputed amounts within thirty days.

### III. TRANSPORTATION, DELIVERY, AND INSTALLATION

- A. Artist certifies that the Artwork is in such condition as to withstand ordinary strains of transportation, delivery, and handling and that Artist shall coordinate the transportation, delivery, and installation of the Artwork with City. City shall have no liability to Artist for damage to the Artwork which results from the transportation, delivery, and installation of the Artwork at the Site.
- B. The Artist shall be responsible for the costs of transporting, delivering, and installing the Artwork at the Site. The Artist hereby releases and holds City, City Council and each member thereof, and every officer, employee and agent harmless from any liability for damage to or loss of the Artwork, regardless of who causes such damage, during the installation of the Artwork.

### IV. MAINTENANCE OF THE ARTWORK

- A. The City shall maintain and repair the Artwork for seven (7) years from the effective date of this Agreement, including repairs to address vandalism, as reasonably necessary, except as set forth in paragraph B. of this section.
- B. The Artist shall repair damage to the Artwork resulting from a manufacturing deficiency (such as rust, bubbling of paint, chips, peeling paint, peeling varnish/sealant/clear layer, structural deterioration) for the 7-year warranty period.

### V. RIGHT AND TITLE TO, AND INTEREST IN, THE ARTWORK

- A. The Artist shall not retain ownership of or any right, title or interest in the Artwork. The Parties agree that the Artwork and all such rights, title, and interest in or to the Artwork are being sold to City for whatever use the City desires, and that the City does and shall at all times own, solely and exclusively, complete and unencumbered, all rights, title, and interest in and to the Artwork and any modifications to the Artwork. Nothing contained herein shall be deemed to constitute a mere license or franchise in City. The Parties further agree that the City, and its successors and assigns, will be free to use, modify, distribute, sell, license, or otherwise exploit the Artwork and any modifications to the Artwork without any restrictions or limitations or any obligations or payments to the Artist.
- B. The City hereby authorizes the Artist to make, and to authorize the making of, limited photograph and video reproductions of the Artwork for educational and self-promotional purposes. For purposes of this Agreement, the following are deemed to be photograph and video reproductions for educational and self-



promotional purposes: slides, film strips, and video episodes not intended for a mass audience and used solely for educational programs that are hosted by the Artist in print media, on the Artist's website and social media sites, and on the Artist's computers and on any other electronic media, as long as such reproduction is provided to others at no cost. Under no circumstances shall the Artist use or make any photograph or video reproductions of the Artwork for commercial purposes and any photograph or video reproductions used or made by the Artist shall not compete with any City endeavor to sell or promote reproductions of the Artwork. The City has sole discretion to determine whether a photograph or video reproduction is utilized for educational and self-promotional purposes or whether the reproduction competes with the City's endeavors to sell or promote its reproductions in the City. If the City determines that the photograph or video reproduction does not meet the terms of this section, the City shall provide written notice to the Artist, as appropriate, and – upon receipt of such notice – the noticed Party shall immediately cease and desist the use of the reproduction.

- C. The Artist hereby transfers to the City all rights of reproduction, as that term is defined in California Civil Code Section 982, in the Artwork, including, but not limited to, the right to reproduce the Artwork in any manner whatsoever for commercial and non-commercial purposes. Hereinafter, the Artist shall not acquire or claim any rights in or to the Artwork, any uses, or reproductions thereof by the City or any proceeds therefrom.
- D. The Artist hereby waives, releases, and disclaims any rights, demands, or claims as may arise at any time and under any circumstances against the City, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors, and assigns arising under the federal Visual Artists Rights Act (17 U.S.C. §§ 106A and 113(d)), the California Art Preservation Act (Cal. Civil Code § 987 *et seq.*), and any other local, state, federal, or international laws that convey rights of the same nature as those conveyed under 17 U.S.C. § 106A, California Civil Code § 987 *et seq.*, or any other type of moral right protecting the integrity of works of art. The Artist acknowledges and agrees that the City, in its sole and exclusive discretion, may, among other acts, temporarily or permanently modify, alter, change or destroy the Artwork.
- E. The Artist represents and warrants that (i) until the time of transfer hereunder, the Artist is the sole owner of the Artwork and of all rights therein including copyright, trademark, and other proprietary rights therein; (ii) the Artist is and will be the sole creator of the Artwork; (iii) the Artist has and will have full and sufficient right to assign all rights granted herein and to waive all rights relinquished herein; (iv) the Artist is not under any obligation to transfer or sell any of the Artwork to any third party; (v) the Artwork has not been and will not be published under circumstances which have or will cause a loss of any copyright, trademark, or other proprietary rights therein; and (vi) the Artwork does not and will not infringe any patent, copyright, trademark, or other proprietary rights, privacy rights, or other rights of any third party, nor has any claim (whether or not embodied in a legal action, past or present) of such infringement been threatened or asserted, nor is such a claim

pending, against the Artist (or, insofar as the Artist is aware, against any entity from which the Artist has obtained any rights).

- F. The Artist shall defend any action or proceeding brought against the City based on any claim that the Artwork, or any portion thereof, or the use of the Artwork, or any part thereof, constitutes infringement on any United States patent, copyright or trademark, now or hereafter issued. The City shall give prompt written notice to the Artist of any such claim or proceeding and will reasonably provide authority, information, and assistance in the defense of the same. The Artist shall indemnify and hold harmless the City from and against all liabilities in any such action or proceeding. The Artist shall keep the City informed of all new developments in the defense of such actions or proceedings.
- G. Notwithstanding any other provision of this Section V, the City hereby authorizes the Artist to create up to nine (9) sculptures similar to the Artwork for installation outside of the City of Manhattan Beach.

## VI. INDEMNIFICATION

The Artist shall defend, indemnify, and hold harmless the City, its elected and appointed officials, officers, agents, and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments, or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the Artist, or the Artist's agents or employees, or other independent contractors directly responsible to them, except those claims, demands, damages, costs, expenses (including attorneys' fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the City. The Artist's indemnifications and obligations under this Agreement shall survive the expiration or termination of this Agreement.

## VII. INSURANCE

- A. The Artist shall at all times during the transportation, delivery, installation, and subsequent repairs of the Artwork, carry, maintain, and keep in full force and effect, insurance as follows:
  - 1. A policy or policies of Comprehensive General Liability Insurance, with minimum limits of \$1,000,000 for each occurrence, combined single limit, against any personal injury, death, loss, or damage resulting from wrongful or negligent acts by the insured Party.
  - 2. A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of \$1,000,000 per occurrence combined single limit, covering any vehicle utilized by the Artist in performing the work required by this Agreement.
  - 3. Workers' compensation insurance as required by the State of California.

- B. The Artist shall require each of its sub-contractors (if any) to maintain insurance coverage that meets all of the requirements of this Agreement.
- C. The City's Risk Manager may, in writing, amend and/or waive the insurance provisions set forth in paragraph A. of this section. In such case, the Artist shall comply with the insurance provisions required by the City's Risk Manager.
- D. The policy or policies required by this Agreement shall be issued by an insurer authorized in the State of California and with a rating of at least A-;VII in the latest edition of Best's Insurance Guide.
- E. The Artist agrees that if the Artist does not keep the aforesaid insurance in full force and effect, the City may immediately terminate this Agreement.
- F. At all times during the term of this Agreement, the Artist shall maintain on file with the City Clerk a certificate or certificates of insurance on the form approved by the City's Risk Manager, showing that the aforesaid policies are in effect in the required amounts. The Artist shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general liability insurance and vehicle insurance shall contain an endorsement naming the City as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to the City, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.
- G. The insurance provided by the Artist shall be primary to any coverage available to the City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.
- H. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, the Artist shall either reduce or eliminate the deductibles or self-insured retentions with respect to the City, or the Artist shall procure bonds guaranteeing payment of losses and expenses.

### VIII. INDEPENDENT CONTRACTOR

The Parties agree, understand, and acknowledge that the Artist is not an employee of the City, but is solely an independent contractor. The Artist expressly acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance or other employee benefits and that any person employed by the Artist shall not be in any way an employee of the City. As such, the Artist shall have the sole legal responsibility to remit all federal and state income and social security taxes and to provide for its own workers compensation and unemployment insurance and that of its employees or subcontractors. Neither the City nor any of its agents shall have control over the conduct of the Artist, or any of the Artist's employees. The Artist shall not, at any time, or in any manner, represent that he or any of his agents or employees are in any manner agents or employees of the City. The Artist

shall indemnify and hold harmless the City and its elected officials, officers and employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from the Artist's personnel practices.

IX. TERMINATION OF CONTRACT

- A. The City retains the right and privilege of canceling, suspending, or abandoning the execution of any work in connection with this Agreement.
- B. The City shall have the right to terminate this Agreement for any reason, or for no reason, upon seven calendar days' written notice to the Artist. The Artist agrees to cease all work under this Agreement on or before the effective date of such notice.
- C. In the event of termination or cancellation of this Agreement by the City, the Artist shall be paid by City based on the percentage of work satisfactorily performed at the time of termination. In no event shall the Artist be entitled to receive more than the amount that would be paid to the Artist for the full performance of the services required by this Agreement. The Artist shall have no claim against the City by reason of such termination, including any claim for compensation.

X. FAILURE TO OBJECT NOT A WAIVER

No waiver of full performance by any Party shall be construed or operate as a waiver of any subsequent default or any of the terms, covenants, and conditions of this Agreement. The payment or acceptance of fees for any period after a default shall not be deemed a waiver of any right or acceptance of defective performance.

XI. LIMITATION ON ASSIGNMENT

- A. The personal skill, judgment, and creativity of the Artist is an essential element of this Agreement. Therefore, although the Parties recognize that the Artist may employ qualified personnel or volunteers to work under the Artist's supervision, the Artist shall not assign, transfer or subcontract the creative and artistic portions of the Artwork to another party without the prior written consent of the City.
- B. Any such purported assignment without the City's prior written consent shall be null and void, and the Artist shall hold harmless, defend, and indemnify the City and its officers, officials, employees, agents and representatives with respect to any claim, demand or action arising from any unauthorized assignment.

XII. APPROVAL

Whenever approval, consent, information, or data is herein required of any or all Parties, the same shall not be unreasonably or arbitrarily delayed or withheld.

XIII. NOTICES

Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to the addresses set forth below, or to such other addresses as the Parties may, from time to time, designate in writing pursuant to this section.

If to the City:

City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
ATTN: Cultural Arts Manager

If to the Artist:

C.J. Rench  
1451 Barker Rd  
Hodd River, Oregon 97031

XIII. AMENDMENTS

No modification or amendment of the terms hereof shall be effective unless written and signed by authorized representatives of the Parties. The Parties expressly reserve the right to modify this Agreement from time to time by mutual written agreement.

XIV. LAW AND VENUE

The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to this Agreement shall be in the Los Angeles County Superior Court.

XV. ATTORNEYS' FEES

If any legal action or other proceeding, including action for declaratory relief, is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs, in addition to any other relief to which the Party may be entitled.

XVI. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes any and all prior understandings or agreements in regard thereto.

XVII. SEVERABILITY

If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

*[Remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the first date above written.

CITY OF MANHATTAN BEACH

ARTIST

\_\_\_\_\_  
BRUCE MOE  
City Manager

\_\_\_\_\_  
C.J. RENCH  
Artist

ATTEST:

\_\_\_\_\_  
LIZA TAMURA  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
QUINN M. BARROW  
City Attorney

APPROVED AS TO FISCAL IMPACT:

\_\_\_\_\_  
STEVE CHARELIAN  
Finance Director

APPROVED AS TO CONTENT:

\_\_\_\_\_  
MARK LEYMAN  
Parks & Recreation Director

## EXHIBIT A

### SCOPE OF WORK

In accordance with the terms of this Agreement, the Artist shall execute an identical (to the extent that it is possible) sculpture to the one that is currently installed in Polliwog Park (the “Artwork”) – the “*Circles*” – and replace the current Artwork with the new reproduction in the same location.

The new Artwork shall deviate from the original sculpture in the following manner:

1. All metal components of the Artwork are to be made of Stainless Steel or other material able to withstand a marine environment
2. Paint used shall be Tnemec 10-15 year enamel (or better as determined by Artist and City in writing)
3. All lighting, solar, and electrical components are to be removed/omitted from the sculpture
4. All wood (in appearance or material) components shall be made of treated wood able to withstand marine environment

The Artist shall create, construct, paint/enamel, engineer, deliver, install, attach, and coordinate, the approved Artwork as approved by City Council (see Image 1 below). The Artwork must be replicated as exactly as possible, paying particular attention to the shape, size, color, and approximate weight, with the exception of the alterations listed above. Any significant deviations from the approved design must be approved by City’s Parks & Recreation Director or designee prior to execution.

### **Roles and Responsibilities**

#### **The Artist shall be responsible for:**

- i. Planning, organizing, coordinating, creating, transporting, and installing the approved Artwork as approved by City Council (see Image 1 below).
- ii. All costs relating to and coordination of any subcontractor, consultant, engineer, electrician, fabricator, installer, or other persons involved in the creation, transportation, storage, or installation of the Artwork, including the removal and disposal of the original sculpture currently on site.
- iii. All costs of and coordination related to General and Automobile Liability Insurance, Workers Compensation Insurance, and any and all costs of necessary licenses, and permits.
- iv. Procuring, providing, and any costs relating to all necessary tools and equipment for the execution of this project, including but not limited to scaffolding, ladders, protective materials for the site, personal protective attire, refuse receptacles and removal, and other necessary items as needed for the installation/creation process.
- v. Making all approved alterations to the site including, but not limited to: removing attachment bolts from existing concrete pad and installing new bolts as needed to secure the Artwork.



- vi. Returning the site to its original state at the end of any installation session/day including removal and disposal of all garbage/refuse at Artist's expense.

**The City shall be responsible for:**

- i. Presenting the site in 'as is' condition.

**Timeline**

The Artist shall complete and present the completed Artwork (including installation and removal of original sculpture currently occupying the site) no later than 12 months after the execution of this Agreement. Any delays in the timeline must be mutually agreed upon in writing.



"Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails."

# PURCHASE OF "CIRCLES" BY CJ RENCH

City Council Meeting  
January 17, 2023



Page 602 of 948

# CIRCLES IN POLLWOG PARK

"Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails."



# CURRENT CONDITION

"Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails."

- Artwork sustained damage due to vandalism and marine environment



# CURRENT CONDITION

"Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails."

- Concert goers enjoying sculpture despite deterioration



# CONCLUSION

- Consider the Purchase of “Circles” Sculpture by CJ Rensch, Using the Public Art Trust Fund at an Amount Not to Exceed \$25,000

Staff recommends that City Council:

- Approve the purchase of Circles artwork
- Allocate Funds



**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director  
Katherine Doherty, City Engineer  
Tim Birthisel, Senior Civil Engineer

**SUBJECT:**

Consideration of a Resolution Approving Amendment No. 2 to the Professional Services Agreement with Pacific Advanced Civil Engineering, Inc. for \$96,480 for Additional Design Services for the Larsson 2nd Street Booster Pump Station Upgrade Project (Public Works Director Lee).

**ADOPT RESOLUTION NO. 23-0005**

---

**RECOMMENDATION:**

Staff recommends that City Council approve Amendment No. 2 to the Professional Services Agreement with Pacific Advanced Civil Engineering, Inc. (PACE) for additional design services for the Larsson 2nd Street Booster Pump Station Upgrade Project at a cost not-to-exceed \$96,480.

**FISCAL IMPLICATIONS:**

The Larsson 2nd Street Booster Pump Station Upgrade Project is programmed in the Water Fund within the City's Capital Improvement Plan (CIP). City Council awarded a Professional Services Agreement for engineering design to PACE in the amount of \$138,116, and Amendment No. 1 to the agreement in the amount of \$149,810. The proposed amendment under consideration would increase the agreement with PACE by \$96,480 for a total not-to-exceed amount of \$384,406. Sufficient funding for this amendment exists within the project's current budget in the Water Fund. There are no additional fiscal implications at this time.

**BACKGROUND:**

The City issued Request for Proposal (RFP) No.1175-19 on July 23, 2018, for design services

to upgrade the existing Larsson Street Booster Pump Station. PACE submitted the most responsive and comprehensive proposal, and was recommended by staff for contract award. On February 5, 2019, City Council adopted a resolution awarding a Professional Services Agreement to PACE to develop plans, specifications, and estimates (PS&E) for the project. The scope of work also included records research, agency/utility coordination, legal & plat mapping, utility potholing, field surveying, and geotechnical work.

On December 3, 2019, City Council approved Amendment No. 1 to PACE to cover the cost for the additional design services to upgrade the 2nd Street Booster Pump Station. These upgrades are required due to its continued critical operation acting as backup to the Larsson Street Booster Pump Station and to ensure adequate fire flow demand is provided in the Hill Section. The additional scope of work included developing plans and specifications for the 2nd Street Booster Pump Station in order to address the vibration concerns, meet fire flow demand in the Hill Section, and combine the two pump station projects into a single bid-ready project package due to their integral functionality.

**DISCUSSION:**

The proposed Amendment No. 2 will cover engineering design services, including structural engineering, environmental review, and the preparation of plans and specifications to expand the 2nd Street Booster Pump Station vault to meet Occupational Safety and Health Administration (OSHA) clearance requirements for maintenance worker access. Alignment of existing utilities allows the expansion of the vault with minimal utility interferences.

At the City's request, PACE provided a proposal for additional design tasks to expand the 2nd Street Booster Pump Station vault. Specifically, PACE's proposal for providing additional design and construction support services for the Larsson 2nd Street Booster Pump Station Project includes the following new tasks:

- Preparation of plans, technical specifications, and cost estimates for appropriate rehabilitation methods for pipe segments;
- Preparation of bidding documents suitable for bidding and award of a public works construction contract; and
- Design support services during the construction phase.

Staff recommends that City Council approve the attached amendment with PACE for a not-to-exceed amount of \$96,480. To date, PACE has delivered high-quality services in a timely manner for the Larsson 2nd Street Booster Pump Station Upgrade Project.

**PUBLIC OUTREACH:**

No public outreach was conducted in preparation of recommending this award. Public outreach will occur at the appropriate time as plans are developed and we near bidding and construction.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to Section 15301 Class 1 of the State CEQA Guidelines.



**LEGAL REVIEW:**

The City Attorney has approved the Agreement as to form. The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 23-0005
2. Amendment No. 2 - Pacific Advanced Civil Engineering, Inc. (PACE)
3. Agreement and Amendment No. 1 - Pacific Advanced Civil Engineering, Inc. (PACE)
4. Budget and Expenditures Summary Report

RESOLUTION NO. 23-0005

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND PACIFIC ADVANCED CIVIL ENGINEERING, INC., FOR CONSULTANT DESIGN SERVICES.

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves Amendment No. 2 to the Agreement between the City of Manhattan Beach and Pacific Advanced Civil Engineering, Inc., dated January 17, 2023, for additional design services in the amount of \$96,480.00.

SECTION 2. The City Council hereby authorizes the City Manager to execute Amendment No. 2 to the Agreement on behalf of the City.

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

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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STEVE NAPOLITANO  
Mayor

ATTEST:

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LIZA TAMURA  
City Clerk

AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF MANHATTAN BEACH AND PACIFIC ADVANCED  
CIVIL ENGINEERING, INC.

This Second Amendment (“Amendment No. 2”) to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation (“City”) and Pacific Advanced Civil Engineering, Inc. dba PACE, a California corporation (“Consultant”) (collectively, the “Parties”) is hereby made effective as of the date of the last authorized representative signature below (“Effective Date”).

RECITALS

A. On February 5, 2019, the City and Consultant entered into an agreement for professional services for the Consultant to provide design services for the Larsson Street Booster Pump Station Upgrade Project (the “Original Agreement”).

B. On December 3, 2019, the City and Consultant entered into Amendment No. 1 to increase the maximum compensation to be paid to Consultant (the “Maximum Compensation”), extend the term, and modify the Scope of Services and Approved Fee Schedule. The Original Agreement, as amended by Amendment No. 1, is referred to herein as the “Agreement”.

C. The Parties now desire to amend the Agreement to further increase the Maximum Compensation, extend the term, and modify the Scope of Services and Approved Fee Schedule.

NOW, THEREFORE, in consideration of the Parties’ performance of the promises, covenants, and conditions stated herein, the Parties hereby agree as follows:

Section 1. Section 2 of the Agreement is hereby amended to extend the term of the Agreement through December 31, 2024, unless sooner terminated as provided in Section 12 of the Agreement.

Section 2. Section 3.A of the Agreement is hereby amended to increase the Maximum Compensation amount by \$96,480.00, for a new Maximum Compensation of \$ 384,406.00.

Section 3. Exhibit A (“Scope of Services”) of the Agreement is hereby amended to add the attached Exhibit A of this Amendment No. 2.

Section 4. Exhibit B (“Approved Fee Schedule”) of the Agreement is hereby amended to add the attached Exhibit B of this Amendment No. 2.

Section 5. Except as specifically amended by this Amendment No. 2, all other provisions of the Agreement shall remain in full force and effect.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 2 on the day and year of the last authorized representative signature shown below.

City:

Consultant:

City of Manhattan Beach,  
a California municipal corporation

Pacific Advanced Civil Engineering, Inc.,  
a California corporation

By: \_\_\_\_\_  
Name: Bruce Moe  
Title: City Manager

DocuSigned by:  
By: Mark Krebs - President  
FA95167B5322403...  
Name: Mark Krebs, PE 12/9/2022  
Title: President

ATTEST:

DocuSigned by:  
By: Duncan Lee - Vice President  
D05CA9F55F9F4B7...  
Name: Duncan Lee, PE 12/9/2022  
Title: Vice President/Principal, QA/QC  
Manager Utilities Division

By: \_\_\_\_\_  
Name: Liza Tamura  
Title: City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

By: \_\_\_\_\_  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

DocuSigned by:  
By: Erick Lee  
8FDAAFB224CA402...  
Name: Erick Lee 12/12/2022  
Title: Public Works Director

## **EXHIBIT A SCOPE OF SERVICES**

The Scope of Services is for additional design services to the project, Task 8:

### Task 8.1 – Project Management & Meetings

PACE's Project Manager, Duncan Lee, PE, will allocate resources, establish all internal staff responsibilities, handle billing, design schedule, and manage all external and internal communication for the project design team, direct and review the technical work of PACE's engineering staff and sub-consultants and provide technical oversight of the project design package.

### Task 8.2 – 90% Re-Design Drawings, Specifications & Engineer's Estimate

Based on the direction per the City approval of the PACE's tech memo for the 2BPS project, PACE will prepare a 90% Re-Design Drawing Package for submittal to the City for review and comment. PACE will prepare a 90% Project Specifications Package, which will include references to City's standards, and technical specifications for new equipment, and will be incorporated with City-provided standard front-end documents. PACE will also develop bid forms with bid items for the project and include these documents in the Project Specifications Package for review by the City. PACE will also provide a preliminary Engineer's Cost Estimate.

### Task 8.3 –Final 100% Re-Design Drawings, Specifications & Engineer's Estimate

Based on the City's comments on the 90% Re-Design drawings and specifications for the 2BPS project, PACE will prepare a Final 100% Re-Design Package #2. After obtaining approval from the City, the final bid package will be delivered in both a printed wet-ink reproducible set and an electronic (PDF) set for use by the City in providing bid documents.

### Task 8.4 – Separate 2nd Street with Larsson Street Pump Station Bid Package into Two Bid Packages

Per City's direction, PACE will separate the current plan sets that combined both pump stations into a single bid package, into two separate bid packages instead.

## EXHIBIT B APPROVED FEE SCHEDULE

Fee Schedule and Rate Sheet Matrix	
Project Name: Larsson Street and 2nd Street Booster Pump Station Project	
Client: City of Manhattan Beach	
PACE Job Number: #B438 CO#2	
Estimate Date: September 26, 2022	

\* Fees from these sub-consultants cannot be broken down by labor hours, so they are in lump sums.

Est. Subc Hrs	
Santosh Shahi (Structural)	BESS Testlab (Pothing & Potholing)
<b>Total Fee: \$96,480</b>	
<b>(Excludes Optional Tasks)</b>	

Item No.	Work Item Description	Estimated PACE Manhours														Fee Summary (Excludes Optional Tasks)				
		Principal	Sr Project Manager	Sr Electrical Engineer	Sr Inst. & Cont. Specialist	Sr Project Engineer	Project Engineer	Assistant Engineer	Design Engineer	Sr CAD Designer	CAD Spec / GIS Analyst	Graphic Designer	Admin Support	GPS Survey Unit	Santosh Shahi (Structural)	BESS Testlab (See LS Fee Column) (Pothing & Potholing)	Man Power Subtotal	Task Costs Subtotal	Lump Sum Fee for Services	Total Task Costs
		\$265	\$235	\$225	\$220	\$200	\$170	\$135	\$135	\$150	\$115	\$115	\$ 90	\$250	\$150					
<b>1</b>	<b>Task 8 – CO#2 Design Changes Per the July 12, 2022 Tech Memo</b>	0	32	16	12	30	72	134	0	26	164	0	40	0	20	0	546	\$79,450	\$17,030	\$96,480
2	Task 8.1 – CO#2 Project Management & Meetings		12				4						4				20	\$3,860		\$3,860
3	Task 8.2 – CO#2 90% Re-Design Drawings, Specifications & Engineer's Estimate		12	8	4	16	40	80		12	100		16		12		300	\$42,840	\$17,030	\$59,870
4	Task 8.3 – CO#2 Final 100% Re-Design Drawings, Specifications & Engineer's Estimate		4	4	4	6	16	30		6	40		8		6		124	\$17,810		\$17,810
5	Task 8.4 – CO#2 Separate 2nd Street with Larsson Street Pump Station Bid Package into Two Bid Packages		4	4	4	8	12	24		8	24		12		2		102	\$14,940		\$14,940
																	<b>546</b>	<b>\$79,450</b>	<b>\$17,030</b>	<b>\$96,480</b>

## DESIGN SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated February 5, 2019 ("Effective Date") and is between the City of Manhattan Beach, a California municipal corporation ("City") and Pacific Advanced Civil Engineering, Inc., a California corporation ("Consultant"). City and Consultant are sometimes referred to herein as the "Parties", and individually as a "Party".

### RECITALS

A. City issued Request for Proposals No. 1192-19 on November 5, 2018, titled "Professional Design Services for the Larsson Street Booster Pump Station Upgrade Project". Consultant submitted a proposal dated December 4, 2018 in response to the RFP.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant as an independent contractor and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

#### 1. Consultant's Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the "Services") for design services for the Larsson Street Booster Pump Station, attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "City Representative"). For the purposes of this Agreement, the Consultant Representative shall be James A. Matthews, Senior Vice President – Environmental Water Division (the "Consultant Representative"). The Consultant Representative shall directly manage Consultant's Services under this Agreement. Consultant shall not change the Consultant Representative without City's prior written consent.



C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services in conformance with the project timeline set forth in **Exhibit A**.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

2. **Term of Agreement.** The term of this Agreement shall be from the Effective Date through December 31, 2019, unless sooner terminated as provided in Section 12 of this Agreement or extended.

3. **Compensation.**

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the hourly rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Consultant be paid more than \$138,116.00 (the "Maximum Compensation").

B. Expenses. City shall only reimburse Consultant for those actual and necessary expenses expressly set forth in **Exhibit B**.

C. Unauthorized Services and Expenses. City will not pay for any services not specified in the Scope of Services, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services in writing prior to Consultant's performance of those services or incurrence of additional expenses. Any additional services or expenses authorized by the City Council or the City Representative shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

#### **4. Method of Payment.**

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

**5. Independent Contractor.** Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

#### **6. Information and Documents.**

A. Consultant covenants that all data, reports, documents, surveys, studies, drawings, plans, maps, models, photographs, discussion, or other information (collectively "Data and Documents") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any

project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data and Documents required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original Data and Documents, including computer files containing Data and Documents generated for the Services, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

**7. Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

**8. Indemnification, Hold Harmless, and Duty to Defend.**

A. Indemnity for Design Professional Services. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, protect, indemnify, and hold harmless City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith, and reimbursement of attorney's fees and costs of defense (collectively "Liabilities"), whether actual, alleged or threatened, which arise out of, are claimed to

arise out of, pertain to, or relate to, in whole or in part, the negligence, recklessness or willful misconduct of Consultant, its officers, agents, servants, employees, subcontractors, material men, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of design professional services under this Agreement by a "design professional," as the term is defined under California Civil Code Section 2782.8(c)(2).

B. Other Indemnities.

1) Other than in the performance of design professional services, and to the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Claims"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Claim with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph B.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 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. If Consultant fails to obtain such indemnities, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Claims in law or equity, whether actual,

alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by court decision or by the agreement of the Parties.

C. Workers' Compensation Acts not Limiting. Consultant's obligations under this Section, or any other provision of this Agreement, shall 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, its officers, agents, employees and volunteers.

D. Insurance Requirements not Limiting. 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. The hold harmless and indemnification provisions in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, Claims, tax, assessment, penalty or interest asserted against City.

E. Survival of Terms. The indemnification in this Section shall survive the expiration or termination of this Agreement.

## 9. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a limit of \$100,000.00 per occurrence and \$300,000.00 in aggregate for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City, and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term

of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

## **10. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**11. Records and Inspections.** Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

**12. Termination of Agreement.**

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

**13. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

**14. Default.**

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

**15. Notices.** Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and City's regular business hours, or (c) three



Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

If to City:

Attn: Anastasia Seims  
City of Manhattan Beach  
3621 Bell Avenue  
Manhattan Beach, California 90266  
Telephone: (310) 802-5361  
Email: aseims@citymb.info

If to Consultant:

ATTN: JAMES MATTHEWS  
PACE  
1720 NEW HOPE ST #260  
FOUNTAIN VALLEY, CA 92708  
T: 714 481 7300 X221  
JMATTHEWS@PACEWATER.COM

With a courtesy copy to:

Quinn M. Barrow, City Attorney  
1400 Highland Avenue  
Manhattan Beach, California 90266  
Telephone: (310) 802-5061  
Email: qbarrow@rwglaw.com

**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

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

**21. Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

**22. Non-Appropriation of Funds.** Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**23. Exhibits.** Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

**24. Entire Agreement and Modification of Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive

statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

**25. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

**26. Word Usage.** Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

**27. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

**28. Business Days.** "Business days" means days Manhattan Beach City Hall is open for business.

**29. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

**30. Attorneys' Fees.** In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

**31. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**32. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

**33. Corporate Authority.** Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

*[SIGNATURE PAGE FOLLOWS]*

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.


City:

City of Manhattan Beach,  
a California municipal corporation


Consultant:

Pacific Advanced Civil Engineering, Inc.,  
a California corporation

By:   
Name: Bruce Moe  
Title: City Manager

By:   
Name: JAMES MATTHEWS PE.  
Title: SR. VP.

ATTEST:

By:   
Name: Andrew Kenner  
Title: V.P.

By:  1-25-19  
Name: Liza Tamura  
Title: City Clerk

**PROOF OF AUTHORITY TO BIND CONTRACTING PARTY REQUIRED**

APPROVED AS TO FORM:

By:   
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO CONTENT:

By:   
Name: Steve S. Charelian  
Title: Finance Director

## EXHIBIT A SCOPE OF SERVICES

This Agreement includes the scope of services outlined below. For all project deliverables identified in the included scope of services, electronic files shall be provided in native program file types and in PDF.

### TASK 1.0 – PRELIMINARY DESIGN SERVICES

#### 1.1 Project Kick-off Meeting

PACE will initiate a project and kick-off meeting for the purpose of reviewing the project scope and objectives and for receiving pertinent project information from the City.

#### 1.2 Structural Evaluation

Based on the site walk and in preparation for this proposal, preliminary evaluation of cracks in the pump station vault are unlikely to be structurally unsound, as they may have occurred due to vibrations caused by cycling of pumps with pipes not installed with sleeves to separate vibration against the vault walls. With that said, PACE is optimistic and can recommend a cost-effective method to repair such cracks. If during preliminary design, the coordinated review of past geotechnical reports, structural and mechanical systems determine that a new vault is necessary for the project, the team can proceed with the design of a new vault (optional service).

#### 1.3 Geotechnical Evaluation of Existing Report

Based on the site walk and information provided by City staff to-date, a Geotechnical Investigation is not needed for crack repairs in the existing vault. PACE will evaluate existing soil condition through existing soils report to be provided by the City. Sub-surface information and soil stability information found in existing soils report can help make sound decisions for the design and construction of improvements surrounding the pump station.

#### 1.4 Flow Study

PACE will conduct field measurements on the actual distribution system, using our in-house flow and pressure logging equipment. The field measurements will be time-coordinated with City SCADA data. The two sets of data from the test period will be compared to determine the level of accuracy of the SCADA information, so that correlation factors can be developed which will allow use of the historical data from the SCADA system.

Based on the existing hydraulic model provided by the City, along with site-specific hydraulic testing above, SCADA data, and other operational knowledge/constraints provided by City staff, PACE will run multiple scenarios to determine the current minimum, maximum and average demand conditions for the Hill Area system. Additionally, PACE will determine the operating pressures required to provide adequate residential and fire service pressures under the various flow conditions.

#### 1.5 Design Options, Mechanical and Electrical Evaluation and Preliminary Pump Selection

Based on the site walk and preliminary visual inspection of the existing station mechanical systems, it is likely that a majority of the existing piping, valves and equipment will need to be removed and replaced due to significant increase in the pump station capacity. PACE will conduct an on-site inspection of the mechanical systems for the purpose of evaluating

... 1.5 continued

and verifying existing conditions. PACE will take interior field measurements and photo-document existing equipment within the vault for the development of a digital model of the existing station for use in the preparation of the Design Development Documents.

PACE will review existing hydraulic modeling, engineering reports, As-built and operational data from the City to develop sizing and selection criteria for the new pumping, piping and valve equipment, and will evaluate the need for a pressure relief valve, and will also evaluate the need to reconfigure existing electrical conduits. The basis of the selection will be to present up to four alternatives using either vertical turbine or split-case pumping equipment in either 3-pump or 4-pump configurations. All alternatives will have at least two equipment manufacturers who can be used in the Final Design. Preliminary layouts of each of the alternatives will be presented. The findings of the preliminary equipment selection and recommendations will be included in the Design Development Documents.

**1.6  
Electrical, Instrumentation and  
Controls Evaluation**

- a. PACE shall conduct a site evaluation of the existing electrical equipment to confirm size and condition and determine if equipment can be salvaged and reused in the project.
- b. If a new, larger service is required with SCE, PACE shall incorporate the larger service requirements into the preliminary design.
- c. Based on findings and evaluation, PACE will prepare Preliminary One-line Diagrams and load calculations for 3-pump and 4-pump alternatives per the Mechanical Evaluation.
- d. PACE will meet with City O&M staff to review the existing control operation and to develop any new sequences of operation that will be required for the pump station.
- e. PACE will review the existing instrumentation and control systems to determine if any additional hardware will be required to implement the new operational sequences.
- f. Based on these requirements, PACE will review the existing documented PLC and HMI programs, to determine what additional programming, configuration and hardware will be needed to added.
- g. PACE will summarize its findings as part of the Design Development Documents.

**1.7  
Preliminary Engineering  
Evaluation Meeting**

- a. Prior to proceeding with the preparation of the Preliminary Cost Estimate and Design Development Documents, PACE shall coordinate a Preliminary Engineering Evaluation Meeting which will include members of the consulting team who will present and discuss the initial findings and recommendations. This meeting is an opportunity for the City staff to ask questions and provide feedback on the progress of the project to-date, prior to the consulting team memorializing its findings in the Design Development Documents.

**1.8  
Site Base Survey**

- a. Since improvements are expected to take place within existing vaults, minimal survey is required for the project. PACE will conduct a site survey to develop a digital base map, in AutoCAD format, which will include the location of the site property boundary, location of existing site improvements, including the building and ancillary structures and topographic data needed for design development.
- b. In addition to surveying above-ground improvements, PACE will conduct an underground utility location evaluation and have that information incorporated into the base map. Based on the findings of the utility locating effort, potholing of existing underground utilities may need to be performed to verify location and depth. However, this is not included in the current proposal, but can be done under separate authorization, if necessary.

**1.9  
Preparation of a Preliminary  
Estimate of Project Cost**

- a. Based on the information gathered and the development of up to four alternatives, PACE shall prepare an Engineer's Estimate of Project Cost. The validity of the estimates presented will be based on limited level of design detail and shall provide a basis for further evaluating or eliminating alternatives from consideration. The estimates will be incorporated into the Design Development Documents.

**1.10  
Preparation of Design  
Development Documents (DDD)  
and Final Design Memorandum**

- a. PACE shall incorporate all findings and recommendations from the site investigations, preliminary equipment evaluations and preliminary layout drawings into a consolidated Design Development Documents report. This report will be prepared and presented in draft form to the City for review.
- b. A Preliminary Design Review meeting will be held to go over the information contained in the report and to solicit comments and feedback from City staff. Based on the discussions and comments presented, the design team (City and Consultants) will determine the best alternative to proceed with for Final Design and PACE will revise the Design Development Documents to incorporate comments and prepare a Final Design Memorandum to memorialize the selected project alternative. The Final Design Memorandum shall serve as the basis for preparation of the Final Design and Bid Documents.

**1.11  
Preparation of Basis of Design  
Report (BDR) for 2BPS**

- a. PACE shall conduct a field site inspection of the mechanical, structural, electrical, control and fuel supply systems at the existing 2nd Street Booster Pump Station and prepare a Preliminary Site Assessment memo of the existing conditions. The Preliminary Site Assessment will evaluate the existing vibration issues and determine the feasibility of adding vibration mitigation to the existing equipment, a determination of remaining useful life of the equipment, and identification of additional recommended improvements to the facility.
- b. Based on the conditions and mitigation measures needed, PACE will prepare a Basis of Design Report, which provides preliminary design and selection of equipment, preliminary design of installation and modifications needed, and evaluates and provides recommendations for current and future upgrades to the 2BPS. Specific attention will be given to the opportunity to coordinate the control and operation of the 2BPS with the LBPS and/or replace the 2BPS capacity at the LBPS facility.

**DELIVERABLES**

Design Development Documents to include preliminary plans for site, mechanical, electrical, vault crack evaluation, conduit reconfiguration, and flow study. In addition, Site Condition Assessment Memo and Basis of Design Report for the 2BPS. All documents listed above shall be delivered in electronic (PDF) format via direct email or PACE's secure FTP site.

**TASK 2.0 – FINAL DESIGN SERVICES**

**2.1  
Project Design Coordination  
Meetings**

- a. PACE shall coordinate and attend up to three scheduled Design Coordination Meetings during the course of the final design period. The meetings shall include a final design kick-off meeting and project review meetings at the 50% and 90% progress submittals.

**2.2  
50% Design Drawings &  
Specifications**

- a. PACE shall prepare a 50% Design Drawing and Technical Specification Package for submittal to the City for review and comment. The 50% Design Package will contain the following Design Sections:
  - G - Sheets Cover Sheet & General Notes
  - C - Sheets Civil site improvements, grading and drainage, field piping and details
  - D - Sheets Demolition Plan and details
  - M - Sheets Mechanical layouts, pumping, piping, valves, PRV, equipment and HVAC
  - S - Sheets Structural retrofit layout plan and details
  - A - Sheets Architectural plan and elevations, roofing plan and architectural details
  - E - Sheets One-line Diagram, SES and MCC elevations, equipment and conduit layouts
  - I - Sheets Process and Instrumentation Diagrams
- b. PACE shall prepare a 50% Technical Specification Package which will contain standard



... 2.2 continued

general construction specifications along with proposed major equipment specific specifications for submittal to the City for review and comment.

- c. Based on the 50% Design, PACE shall prepare a Preliminary Engineer's Cost Estimate.
- d. Preliminary plans and exhibits will be available for City to use for public outreach meetings. PACE staff can attend to assist City staff with this effort.

### **2.3 90% Design Drawings & Specifications**

- a. Based on approval of the 50% Plans and Specifications, PACE shall prepare a 90% Design Drawing Package for submittal to the City for review and comment. The 90% Design Package will build on the sheet sections contained in the 50% Design Package. In all, PACE anticipates that the final design drawing package will be approximately 25 to 30 sheets.
- b. PACE shall prepare a 90% Project Specifications Package which will contain revised and updated standard and site-specific technical construction specifications from the 50% submittal. PACE will revise and incorporate City-provided standard front-end documents, develop bid forms for the project and include these documents in the Project Specifications Package for review and approval by the City.
- c. Based on the 90% developed Bid Package, PACE shall update the Engineer's Cost Estimate to reflect any changes from the 50% design level.
- d. Updated plans and exhibits will be available for City to use for public outreach meetings. PACE staff can attend to assist City staff with this effort.

### **2.4 Final 100% Design Drawings & Specifications**

- a. Based on approval of the 90% Plans and Specifications, PACE shall prepare a Final 100% Design Package for Public Bid. The Final Plans, Specifications and Bid Form shall incorporate the City's comments and shall be delivered in both a printed wet-ink reproducible set and in electronic (PDF) set for use by the City in providing Bid Documents.
- b. Based on the Final 100% Design Package, PACE shall prepare a Final Engineer's Cost Estimate for submittal to the City.

## **DELIVERABLES**

50%, 90% and Final 100% Design Plans and Specifications, Revised and Incorporated City-provided front-end documents, Project Specific Bid Form, Engineer's Cost Estimate at 50%, 90% and Final 100% submittal stages. All documents shall be delivered in electronic (PDF) format via direct email or PACE's secure FTP site.

## **TASK 3.0 – CONSTRUCTION PERIOD DESIGN SUPPORT SERVICES (OPTIONAL)**

### **3.1 Pre-Bid and Bid Services**

- a. PACE shall attend the City's Pre-Bid meeting and site-walk.
- b. PACE shall, at the request of the City, assist the City with answering questions and providing clarifications to the Bid Documents during the bid period.
- c. PACE shall, at the request of the City, provide a technical review of bids received to assist the City in selection of a contractor for the project.

### **3.2 Contractor Submittal and RFI Review Services**

- a. PACE shall provide engineering staff for the purpose of technical review of Contractor Submittals for conformance with the Final Plans and Specifications. PACE shall also provide engineering staff to respond to Project RFIs and provide, as needed, supplemental information and design during construction. The fee for these services is based on an estimated 20 submittal packages and 5 RFI requests.

### **3.3 Construction Progress Meetings**

- a. PACE shall provide engineering staff for the purpose of attending periodic on-site progress meetings in support of the City project management team. We anticipate attending up to twelve (12) Construction Progress Meetings over a period of 6 to 8 months.

**3.4  
Controls and Integration  
Services for the Pump Station  
and Central SCADA System**

- a. PACE shall provide Controls and Instrumentation Specialist staff for the purpose of integration, networking and programming the new/rehabilitated pump station. Programming services shall also include re-programming of the existing PLC and HMI for operational control sequences to maximize energy efficiency and improve performance.
- b. PACE shall provide the services of its Controls and Instrumentation Specialist for the purpose of programming updates to the City's existing Central SCADA system to incorporate modifications made to the local pump station controls.
- c. Any required additional hardware will be supplied and installed by the project contractor as part of the construction contract.

**3.5  
Final Inspection and Start-up  
Assistance**

- a. PACE shall provide engineering staff for the purpose of conducting a Substantial Completion Inspection. PACE shall conduct said inspection and provide the City with punch-list of items to be included in the Final Punch-list provided to the contractor.
- b. After Substantial Completion but prior to Final Completion, PACE shall provide start-up assistance to the City and the City's contractor to conduct performance tests, control checks and general guidance with the commissioning of new equipment and controls.
- c. Upon completion of the Punch-list, PACE shall conduct a Final Inspection and provide a Letter of Final Completion to the City.

**3.6  
Preparation of Station SOP  
Manual**

- a. PACE shall review and approve the Contractor provided O&M manuals for all new equipment supplied as part of the project.
- b. PACE shall coordinate Contractor-provided O&M manuals and integrate them into a digital SOP Manual for the pump station which will include Operation and Maintenance Schedules, Specific Station Operation Sequences, Standard Operating Procedures and Process Check-lists. Development of specific Video SOPs will be provided which cover local and remote start-up, shutdown and emergency operational procedures.
- c. The Final SOP Manual (including the Contractor supplied manuals) shall be delivered in digital format with embedded video clips for SOP procedures.

**3.7  
Preparation of Project Record  
Drawings**

- a. PACE shall review Contractor supplied field mark-ups (Redlines) for accuracy based on observations made during progress meetings and at the Final Completion inspection. From these plans and observations, PACE shall prepare a final Record Drawing set for submittal to the City for their files, and be in a printed set and electronic format (PDF).

**TASK 4.0 – OPTIONAL DESIGN SERVICES**

**4.1  
Additional Geotechnical  
Services**

If a new pump station vault is required for the project, additional geotechnical services will likely be required to obtain sub-surface soil stability information to make sound decisions for the design and construction of the new vault. The geotechnical work will be performed by GMU Geotechnical, Inc. as a sub-consultant to PACE. Their scope will consist of reviewing existing site conditions, available soil data bases, one (1) hollow-stem soil boring to depth of 50 feet, laboratory analysis of field samples, and to prepare a geotechnical report for the earthwork/grading, foundation, soil corrosiveness and slope stability design parameters.

**4.2  
Additional Site Base Survey  
Services**

Potholing of existing underground utilities may need to be performed to verify location and depth. However, this is not included in the base proposal. The City may want to separately contract through their own on-call surveying services and provide data to PACE. In that case, there would be no cost from PACE for this task item.

**EXHIBIT B  
APPROVED FEE SCHEDULE**



AMENDMENT NO. 1 TO THE DESIGN SERVICES AGREEMENT BETWEEN  
THE CITY OF MANHATTAN BEACH AND PACIFIC ADVANCED CIVIL  
ENGINEERING, INC.

This First Amendment ("Amendment No. 1") to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation ("City") and Pacific Advanced Civil Engineering, Inc., a California corporation ("Consultant") (collectively, the "Parties") is hereby entered into as of December 3, 2019 ("Effective Date").

RECITALS

A. On February 5, 2018, the City and Consultant entered into an agreement for Design services for the Consultant to provide design services for the Larsson Street Booster Pump Station ("Agreement");

B. The Parties now desire to amend the Agreement to extend the term, modify the Scope of Services by adding additional services, and to increase the Maximum Compensation as compensation for the additional services.

NOW, THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereby agree as follows:

Section 1. Section 2 of the Agreement is hereby revised to extend the term of the Agreement through December 31, 2022, unless sooner terminated as provided in Section 12 of the Agreement.

Section 2. Section 3.A of the Agreement is hereby revised to increase the Maximum Compensation amount by \$149,810 for a new Maximum Compensation of \$287,926.

Section 3. **Exhibit A** ("Scope of Services") of the Agreement is hereby amended by adding Tasks 6 and 7, as set forth on the attached Exhibit A of this Amendment No. 1. **Exhibit B** ("Approved Fee Schedule") of the Agreement is hereby amended by adding the attached Exhibit B of this Amendment No. 1 to the Approved Fee Schedule.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 1 on the day and year first shown above.

[signatures begin on next page]

CITY OF MANHATTAN BEACH

By: \_\_\_\_\_  
Bruce Moe, City Manager


ATTEST:

\_\_\_\_\_  
Liza Tamura, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Quinn M. Barrow, City Attorney

\_\_\_\_\_  
Pacific Advanced  
Civil Engineering, Inc.  
(CONSULTANT)

By:   
JAMES MATTHEWS  
Its: SR. VICE PRESIDENT

## EXHIBIT A

### SCOPE OF SERVICES

#### **TASK 6 – FINAL DESIGN SERVICES FOR 2ND STREET Pump Station**

##### Task 6.1 – Project Management

PACE's Project Manager, Duncan Lee, PE, will allocate resources, establish all internal staff responsibilities, handle billing, accelerate design schedule, and manage all external and internal communication for the project design team, including PACE's sub-consultants. Principle, James Matthews, PE will direct and review the technical work of PACE's engineering staff and sub-consultants and provide technical oversight of the project design package.

##### Task 6.2 – Preliminary Electrical Service Relocation & Upsizing from 100A to 200A

The existing SCE electrical service will need to increase in capacity from 100A to 200A to operate the pair of new temporary jockey pumps at 2nd Street. This is one of several potential critical path items that needs proactive action by PACE and the City. PACE will prepare exhibits depicting electrical needs and the proposed relocation of the service pedestal. PACE will also determine from SCE if the existing service conduits can be reused with new conductors, or if a new service is required with new conduits.

##### Task 6.3 – Assist City as Agent with SCE Service Application

PACE will provide assistance to the City staff as an "Agent" for upgrade and relocation of the existing electrical service pedestal. This will include preparing applications, coordinating with SCE service planner(s), and responding to questions from the City and SCE on the electrical service requirements and application.

##### Task 6.4 – Specifications for City Pre-purchase Bid of New Engine Pump Skid System

Based on preliminary evaluation and recommendation from the Basis of Design Report for 2BPS, PACE will prepare the technical specifications necessary for the City to procure the new engine and pump skid assembly as Bid Package #1. The City will provide PACE with equipment procurement boilerplate front end bid documents, which will be modified and incorporated by PACE into Bid Package #1. PACE will consolidate the equipment bid documents with technical specifications for the City to approve and to solicit bids from qualified vendors.

##### Task 6.5 – Preliminary New Engine Vibration Dampening Design

Before proceeding with detail design of the pump station at 2nd Street, PACE will identify specific elements of the structural support system, as well as mechanical enhancements that will help minimize noise and vibration impacts to the adjacent

commercial property owner from the new natural gas engine and temporary jockey pumps. Upon approval by City staff, PACE will proceed with detail design.

Task 6.6 – Preliminary Hatch Expansion Concept

Based on minimum required dimensions of the new hatch, PACE will prepare an exhibit to illustrate any proposed sidewalk improvements, including removable handrails, and narrowing of the sidewalk if necessary, to accommodate both new hatches and satisfy ADA accessibility requirements. Upon approval by City staff, PACE will proceed with detail design.

Task 6.7 – Survey to Establish Grade for Top of New Access Hatch

Since both pump stations are rehabilitation projects utilizing existing vaults without any grade change to the existing finished floor of either vaults, PACE will not perform a total station survey of the project limits at both pump stations. PACE will utilize GPS surveying equipment to identify the necessary increase in grade for the proposed access hatch at the 2<sup>nd</sup> Street Pump Station. During construction, the contractor will be required to provide survey staking and controls to verify grades, and to properly install all new mechanical piping and appurtenances per plans.

Task 6.8 – Assist with Outreach to Adjacent Commercial Property Owner and Field Observation of Existing Pump Operating Conditions

PACE will need to observe the existing levels of vibration and noise when the engine is in operation at the 2<sup>nd</sup> Street Pump Station. Observation gathered will allow PACE to determine level of precaution needed to conservatively dampen vibration and noise impacts from the new engine. PACE will record existing levels for comparison with the new pump station once it is completed. Working with the City to reach out to the existing adjacent commercial property owner will allow PACE and City staff a better understanding of their concerns, and to help prepare all stakeholders of upcoming construction impacts when traffic lanes will be closed for eastbound traffic on 2nd Street.

Task 6.9 – Geotechnical Boring and Report

Geotechnical services will be necessary to obtain sub-surface soil stability information. The geotechnical work will be performed by GMU Geotechnical, Inc. as a sub-consultant to PACE. Their scope will consist of reviewing existing site conditions, available soil data bases, one (1) hollow-stem soil boring up to depth of 50 feet, laboratory analysis of field samples, and to prepare a geotechnical report for the earthwork/grading, foundation, soil corrosively and slope stability design parameters. The geotechnical report will be attached with the project specifications, to be used by the contractor pertaining to trenching, shoring, and backfilling.

Task 6.10 – Project Design Coordination Meetings

PACE will coordinate and attend up to three (3) scheduled Design Coordination Meetings during the course of the final design period for 50%, 90% and 100%



submittals. The coordination meetings will either be in person or through conference call with remote web viewing capability.

#### Task 6.11 – 50% Design Drawings

PACE shall prepare a 50% Design Drawing for submittal to the City for review and comment. The total number of anticipated plan sheets with traffic control will likely be around 45 to 50 sheets for the 2<sup>nd</sup> Street Pump Station. The 50% Design Package is estimated to be around 20 sheets, and will contain the following Design Sections:

- G - Sheets – Title, vicinity map, general notes, hydraulic profile, and sheet index table
- C - Sheets – Civil demo, civil details, and site plan
- M - Sheets – Mechanical demo, layouts, mechanical details, engine, pumps, pipes, valves, PRV, equipment and existing ventilation
- S - Sheets - Structural modification layout plan and sections for access hatches
- E - Sheets - One-line Diagram, SES and Motor Control elevations, equipment and conduit layouts
- I - Sheets - Process and Instrumentation Diagrams

#### Task 6.12 – 90%Traffic Control

City staff accepted PACE's traffic control recommendation to eliminate eastbound access on 2nd Street during construction, which will eliminate the need to obtain a Caltrans Encroachment Permit for any traffic detouring along Sepulveda Blvd. PACE's sub-consultant will evaluate traffic impacts and will recommend the most cost effective and least impactful traffic control strategies for construction of the 2<sup>nd</sup> Street Pump Station improvements. Traffic control strategies will include both overnight and daily closures. Overnight closure will likely require water-filled k-rail barriers to protect the general public, which may also reduce construction cost by eliminating the need to setup and take down traffic controls on a daily basis. PACE, with its sub-consultant, shall prepare a 90% Traffic Control Plan Package for submittal to the City for review and comment.

#### Task 6.13 – 90% Design Drawings, Specifications & Engineer's Estimate

Based on City's comments of the 50% design drawings, PACE shall prepare a 90% Design Drawing Package for submittal to the City for review and comment. PACE shall prepare a 90% Project Specifications Package, which will include references to City's standards, technical specifications for new equipment and pre-purchase equipment, and will be incorporated with City-provided standard front-end documents. PACE will also develop bid forms with bid items for the project and include these documents in the Project Specifications Package for review by the City. PACE will also provide a preliminary Engineer's Cost Estimate.

#### Task 6.14 – Final 100%Traffic Control Plans

Based on City's comments of the 90% Traffic Control Plans, PACE shall prepare a Final 100% Traffic Control Plans for public bid. After obtaining approval from the City, the final Traffic Control Plans shall be delivered in both a printed wet-ink reproducible set and in electronic (PDF) set for use by the City in providing bid documents.

Task 6.15 – Final 100% Design Drawings, Specifications & Engineer's Estimate  
Based on City's comments of the 90% Design drawings and specifications, PACE shall prepare a Final 100% Design Package #2. After obtaining approval from the City, the final design package shall be delivered in both a printed wet-ink reproducible set and in electronic (PDF) set for use by the City in providing bid documents.

Task 6.16 – Combine 2nd Street with Larsson Street Pump Station Bid Package #2

Through the development of the Basis of Design Report for the Larsson Street Pump Station, City staff agreed with PACE's findings that while the original scope for PACE was to design to rehabilitate the Larsson Street Pump Station, the 2<sup>nd</sup> Street Pump Station must be constructed first with the ability to meet daily demands through the use of temporary jockey pumps at the 2<sup>nd</sup> Street Pump Station. In addition, City staff shared with PACE their other two (2) planned reservoir improvement projects in the Fall of 2020, and that they believe it is essential both pump stations be completed before the City can proceed with those reservoir improvement projects. Therefore, the City has requested PACE to design both pump stations at the same time, at an accelerated pace, that will require more engineering resources. PACE will allocate additional resources to work on both pump station improvements simultaneously and will provide plans with specifications for each pump station that are unique, so that both stations will be bid together as a combined package.

**TASK 7 – PRE-BID AND BID SERVICES (2BPS & LSBPS)**

Task 7.1 – Pre-Bid and Bid Services

- PACE shall attend the City's Pre-Bid meeting and site-walk.
- At the request of the City, PACE shall assist the City with answering questions and providing clarifications to the Bid Documents during the bid period.
- At the request of the City, PACE shall provide a technical review of bids received to assist the City in selection of a contractor for the two pump station upgrade project.

EXHIBIT B  
APPROVED FEE SCHEDULE



**FEE PROPOSAL  
PROJECT WORKSHEET**

Project Data
Project Name: Larsson Street & 2nd Street Pump Station (Change Order #1)
Client: City of Manhattan Beach
PACE Job Number: B438
Estimate Date: September 18, 2019

2019 PACE Hourly Rate Schedule	
Description	Hourly Rate
Principal	\$245
Sr. Proj. Mgr./Sr. Consulting Engr.	\$215
Sr. Electrical Engineer / Sr. GIS Analyst	\$200
Project Manager /Consulting Engr.	\$195
Sr. Proj. Engr./Sr. Design Engr.	\$175
Instrumentation & Controls Specialist	\$150
Proj. Engr/Design Engineer II	\$150
Design Engineer	\$120
Sr. CAD Designer	\$130
CAD Designer/GIS Analyst	\$100
Graphic Designer	\$100
Proj. Coordinator/Admin. Support	\$80
Assistant Designer	\$80
G.P.S. Survey Unit (w/Operator)	\$240
Expert Witness/Legal Consultation	\$350 + Exp.

Total Fee Amount for 2nd Street Pump Station: **\$149,810**

Item No.	Work Item Description	Estimated Manhours															Man-Power Subtotal	Reimburs. Expenses	Total Task Costs				
		Principal	Sr. Project Manager/Sr. Consulting Engr.	Sr. Electrical Engineer/Sr. GIS Analyst	Project Mgr./ Consulting Engr.	Sr. Project Engineer/Sr. Design Engr.	Inst. & Controls Specialist	Project Engineer /Design Engr. II	Design Engineer	Sr. CAD Designer	CAD Designer /GIS Analyst	Graphic Designer	Proj. Coord/Admin Support	Assistant Designer	GPS Survey Unit (w/Operator)	Structural Engineer				Geotechnical Engineering Sub			
<b>6</b>	<b>Final Design Services</b>																						
6.1	Project Management	6			6							6								\$3,120		\$3,120	
6.2	Electrical Service Relocation & Upsizing Concept from 100A to 200A	1		6	3	2		6				8		2						\$4,240		\$4,240	
6.3	Assist City as Agent with SCE Service Application	4		24	8			8				16		6						\$10,620		\$10,620	
6.4	Pre-purchase Arrow Engine and Goulds Pump Specifications for City	3			4	4		16				8		4	8					\$6,375		\$6,375	
6.5	Preliminary New Engine Noise Dampening Concept				2	4		4				8		2						\$2,650	\$1,500	\$4,150	
6.6	Preliminary Hatch Expansion Concept				4	4		4				8		2						\$3,040	\$4,500	\$7,540	
6.7	Survey to Establish Grade for Top of New Access Hatch				2			3				4			3					\$1,960		\$1,960	
6.8	Assist with Outreach with Adjacent Commercial Property Owner and Field Observation of Existing Pump Operating Condition	3			3	3						4								\$2,245		\$2,245	
6.9	Geotechnical Boring and Report	2			4			4				2		2			68			\$15,830		\$15,830	
6.1	Project Design Coordination Meetings	5			5			5												\$2,950		\$2,950	
6.11	50% Design Drawings	4		8	12	12	12	16		12		60	8	8	30					\$22,620	\$6,000	\$28,620	
6.12	90% Traffic Control Plans	4			4	4		8				16		2						\$5,420	\$14,000	\$19,420	
6.13	90% Design Drawings, Specifications & Engineer's Estimate	2		4	6	6	6	8		6		30	4	8	16					\$11,710	\$3,000	\$14,710	
6.14	Final 100% Traffic Control Plans	2			2	2		2				8		2						\$2,490	\$7,000	\$9,490	
6.15	Final 100% Design Drawings, Specifications & Engineer's Estimate	2		2	4	4	4	4		2		16		4	8					\$6,390		\$6,390	
6.16	Combine 2nd Street with Larsson Street Pump Station Bid Package #2	2		4	4	4		6				20		8	16					\$7,590		\$7,590	
	<b>SUBTOTAL TASK 6</b>	40	0	48	73	49	22	94	0	20		208	12	56	78	3	0	68		\$109,250	\$36,000	\$145,250	
	<b>2nd Street PS &amp; Larsson Street PS</b>																						
<b>7</b>	<b>Pre-Bid and Bid Services</b>	0																					
7.1	Pre-Bid and Bid Services		0		8			20													\$4,560		\$4,560
	<b>SUBTOTAL TASK 7</b>	0	0	0	8	0	0	20	0	0	0	0	0	0	0	0	0	0		\$4,560	\$0	\$4,560	
	<b>TOTAL INCLUDING PRE-BID AND BID SERVICES TASK</b>	40	0	48	81	49	22	114	0	20		208	12	56	78	3	0	68		\$113,810	\$36,000	\$149,810	

**Larsson 2nd Street Booster Pump Station Upgrade Project**  
**Budget and Expenditure Summary Report**

TOTAL BUDGET	
Larsson Street Pump Station Improvement (12828E)	\$1,457,048.89
TOTAL BUDGET	\$1,457,048.89
EXPENDITURES	
Professional Design Services Agreement (PACE)	\$138,116.00
Professional Design Services Agreement Amendment No. 1 (PACE)	\$149,810.00
Professional Design Services Agreement Amendment No. 2 (PACE)	\$96,480.00
TOTAL DESIGN EXPENDITURES	\$384,406.00
Construction Costs (TBD)	\$1,072,642.89
TOTAL CONSTRUCTION EXPENDITURES	\$1,072,642.89
TOTAL EXPENDITURES	\$1,457,048.89





**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director  
Katherine Doherty, City Engineer  
Gilbert Gamboa, Principal Civil Engineer

**SUBJECT:**

Consideration of a Resolution Approving Amendment No. 2 to the Professional Services Agreement with Butier Engineering, Inc. for Additional Construction Management and Inspection Services in the Amount of \$435,537 for the Peck Reservoir Replacement Project (Public Works Director Lee).

**ADOPT RESOLUTION NO. 23-0006**

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**RECOMMENDATION:**

Staff recommends that City Council adopt Resolution No. 23-0006 approving Amendment No. 2 to the professional services agreement with Butier Engineering, Inc. for additional construction management and inspection services in the amount of \$435,537 for the Peck Reservoir Replacement Project (Project).

**FISCAL IMPLICATIONS:**

On August 18, 2020, City Council adopted a resolution awarding and approving a \$2,555,229 agreement to Butier Engineering, Inc. for construction management and inspection services for the Project in the Water Fund. On August 16, 2022, City Council adopted a resolution approving Amendment No. 1 for additional services in the amount of \$321,301. The additional services to be rendered under Amendment No. 2 will increase the agreement amount by \$435,537 for a total not to exceed amount of \$3,312,067. In order to provide the funding for this amendment, \$435,537 of the contingency from the Project's construction contract with Pacific Hydrotech Corporation will be disencumbered. There are no additional fiscal implications at this time.

**BACKGROUND:**

Peck Reservoir is situated at 1800 N. Peck Avenue, at the southeast corner of Peck Avenue

and 19th Street. The current replacement project includes completely removing the degraded 60-year-old concrete reservoir, pumps, and ancillary facilities, and replacing the existing structure and equipment with a new 8-million gallon (MG) concrete reservoir, a pump station, operations, and electrical buildings, a groundwater filtration treatment system, and related ancillary facilities and site restoration. While the majority of the work occurs on the Peck Reservoir site, some work was required on adjacent streets, including the construction of new accessible sidewalks along 19th Street and Peck Avenue; new sewer and electrical connections on Peck Avenue; and new water and sewer pipeline trench work east on 18th Street, north on Herrin Avenue and east on 19th Street.

The City issued a Request for Proposal (RFP) in May 2020 for construction management and inspection services for the Project. In August 2020, City Council awarded a contract to Butier Engineering, Inc. (Butier) for these services. Ongoing key services provided by Butier on this project include:

- Full-time inspection of construction activities,
- Ongoing review and oversight of the construction schedule and budget,
- Responding to contractor questions, requests for information, and issues that arise in the field during construction,
- Coordinating between the contractor, City staff, and the Manhattan Beach Unified School District (MBUSD), and
- Ongoing public outreach during the construction duration.

**DISCUSSION:**

Construction of the Project began in October 2020 and is anticipated to reach substantial completion in February 2023, followed by completion of startup and commissioning activities at the end of March 2023. While the originally targeted construction completion date was the end of May 2022, various construction material procurement-related delays have negatively impacted this project. In addition, change order work in the normal course of construction also accounts for the extended project timeline. The primary supply chain delays were due to the procurement of the following major items:

- Three stainless steel knife gate valves
- Groundwater filtration treatment steel pressure vessel horizontal tanks
- Glass-fused steel bolted 30-foot tall vertical storage tank
- Programmable Logic Controller for Groundwater Treatment Facility
- Electrical Control Automation Variable Frequency Drives (VFD)
- Electrical switchgear
- Pre-cast concrete underground box vaults
- Ready mix concrete

Completed phases of the Project include:

- Demolition of the entire water reservoir, booster pump station, and site features
- Earthwork excavation and shoring
- Stockpiling and staging of excavated soil on the MBUSD Begg Sports Field



- Construction of a new reservoir concrete tank structure, testing, and filling
- Construction of a new booster pump station and electrical building
- Earthwork backfilling, final grading, and a new retaining wall around the reservoir
- Electrical control conduit duct bank substructures
- Onsite mainline yard piping and valve vaults
- Offsite pipeline replacements on Herrin Ave
- Chemical disinfection tanks and storage block wall building structure
- Operations control block wall building structure
- Ancillary equipment installation (emergency backup generator, ground level transformer, groundwater filtration pressure vessels, etc.)
- Onsite stormwater dry well capture devices
- Construction of a large vertical steel backwash reclamation storage tank
- Stockpile soil removal from MBUSD Begg Sports Field
- Replacement of half of MBUSD Begg Sports Field lighting with new LED fixtures

Remaining elements include, but are not limited to, MBUSD Begg Sports Field grass sod restoration and remaining lighting improvements; final inlet pipeline connections to the reservoir; reconnection of the outsource water supply provider, Metropolitan Water District (MWD) main pipeline; main electrical (power) service to the site; automation controls; onsite hardscape; offsite street pavement restoration, perimeter walls, fencing, and landscaping; perimeter sidewalk improvements; startup, testing, and commissioning; and punch list items. The priority is to bring the new booster pump station online first in order to commission the new reservoir into service with water supplied by MWD. Following that, the well water filtration treatment facility will be brought online to allow the City's well water supply to offset the use of MWD water.

All work performed by the contractor is independently inspected by Butier to ensure quality work and compliance with the project plans and specifications. Butier's original contract awarded in 2020 was developed based on a contract duration of 18 months. Butier has managed its resources to extend the construction management services through January 2023.

Butier's Amendment No. 1 budgeted for additional construction management, geotechnical and testing services including special inspections required by the Division of State Architect (DSA) for the new sod grass turf installation and lighting improvements at the MBUSD Begg Sports Field per Project Contract Change Order No. 1. Change Order No. 1 negotiated the use of Begg Sports Field to stockpile and store the excavated soil from the Reservoir site in exchange for enhancements to the sports field.

Based on the most recent baseline schedule update, Amendment No. 2 is required to continue to provide field construction management, inspection, and associated project startup and close-out activities during the extended duration of the project. Lastly, Amendment No. 2 will provide post-construction operational support services in order to optimize the new groundwater filtration treatment process. These services were not contemplated under the original construction management budget.

**PUBLIC OUTREACH:**

Public community meetings and a public outreach meeting with MBUSD were previously held in

2019. Public meetings were held with the City's Planning Commission and City Council during the design and environmental approval phases. The Project was also discussed at previous Capital Improvement Program budget meetings.

During the construction phase, public outreach includes construction notices, public information meeting(s), media coordination, traffic alerts, and updates on the City website.

**ENVIRONMENTAL REVIEW:**

Environmental review regarding the overall project (CEQA Mitigated Negative Declaration) was approved by Planning Commission on June 12, 2019.

**LEGAL REVIEW:**

The City Attorney has approved the amendment as to form and has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 23-0006
2. Amendment No. 2 - Butier Engineering, Inc.
3. Agreement and Amendment No. 1 - Butier Engineering, Inc.
4. Location Map

RESOLUTION NO. 23-0006

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND BUTIER ENGINEERING, INC. FOR ADDITIONAL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE PECK RESERVOIR REPLACEMENT PROJECT

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves Amendment No. 2 to the Agreement between the City of Manhattan Beach and Butier Engineering, Inc. dated January 17, 2023, for construction management and inspection services for the Peck Reservoir Replacement Project, in the amount of \$435,537.

SECTION 2. The Council hereby directs the City Manager to execute the Amendment on behalf of the City.

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

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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STEVE NAPOLITANO  
Mayor

ATTEST:

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LIZA TAMURA  
City Clerk

AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF MANHATTAN BEACH AND BUTIER ENGINEERING,  
INC.

This Second Amendment (“Amendment No. 2”) to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation (“City”) and Butier Engineering, Inc., a California corporation, (“Consultant”) (collectively, the “Parties”) is hereby made effective as of the date of the last authorized representative signature below (“Effective Date”).

RECITALS

A. On August 18, 2020, the City and Consultant entered into an agreement for professional services for the Consultant to provide construction management and inspection services for the 8MG Peck Reservoir Replacement Project (the “Original Agreement”).

B. On August 29, 2022, the City and Consultant entered into Amendment No. 1 to increase the maximum compensation to be paid to Consultant (the “Maximum Compensation”) and modify the Scope of Services and Approved Fee Schedule. The Original Agreement, as amended by Amendment No. 1, is referred to herein as the “Agreement.”

C. The Parties now desire to amend the Agreement to increase the Maximum Compensation and modify the Scope of Services and Approved Fee Schedule.

NOW, THEREFORE, in consideration of the Parties’ performance of the promises, covenants, and conditions stated herein, the Parties hereby agree as follows:

Section 1. Section 3.A of the Agreement is hereby revised to increase the Maximum Compensation amount by \$435,537.00, for a new Maximum Compensation of \$ 3,312,067.00.

Section 2. Exhibit A (“Scope of Services”) of the Agreement is hereby amended to add the attached Exhibit A of this Amendment No. 2.

Section 3. Exhibit B (“Approved Fee Schedule”) of the Agreement is hereby amended to add the attached Exhibit A of this Amendment No. 2.

Section 4. Except as specifically amended by this Amendment No. 2, all other provisions of the Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

Approved for use 2/15/20

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 2 on the day and year of the last authorized representative signature shown below.

City:

City of Manhattan Beach,  
a California municipal corporation

Consultant:

Butier Engineering, Inc.,  
a California corporation

By: \_\_\_\_\_  
Name: Bruce Moe  
Title: City Manager

DocuSigned by:  
By: Mark M. Butier, Jr., President  
80AEE0F2EE0D4EC...  
Name: Mark M. Butier, Jr. 1/4/2023  
Title: President/CFO

ATTEST:

By: \_\_\_\_\_  
Name: Liza Tamura  
Title: City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

By: \_\_\_\_\_  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

By: \_\_\_\_\_  
Name: Erick Lee  
Title: Public Works Director

**EXHIBIT A**

December 16, 2022

City of Manhattan Beach  
 Department of Public Works  
 Office of the City Engineer  
 3621 Bell Avenue  
 Manhattan Beach, CA 90266

Attn: Gilbert Gamboa, P.E., City Project Manager

**Subject: Amendment No. 2 – CM&I, Materials and Geotechnical, Additional Specialty Consulting Services for the 8 MG Peck Reservoir Replacement Project**

Dear Mr. Gamboa:

Butier Engineering, Inc. (Butier) respectfully requests an additional \$363,345.00 to complete our construction management, inspection, and materials testing scope services (CM&I). In addition, we are requesting \$72,192.00 to address City's requested additional Start-Up and Operational Support services. The additional costs are attributable to various project delays and City of Manhattan Beach directives for additional post-construction consulting services.

The original budget presented in June 2020 was developed based on a contract duration of 18 months. Butier Amendment No. 1 budgeted additional consulting, geotechnical and material testing services including Division of State Architect required inspections for new lighting improvements at the school district Begg Sports Field per Project Contract Change Order No. 1.

CM&I Services by Butier Engineering, Inc.

Butier's original budget was developed based on a contract duration of 18 months represented in the original RFP. Butier staff indicated that the 18-month schedule was "aggressive" from the project's outset. Additionally, City staff is fully aware of the issues that have extended the project's final completion date an additional 6 months to mid-April 2023. Project staffing will be reduced as we reach final completion. Based on the most recent baseline schedule update, the following additional fee schedule is required to continue to provide field construction management, inspection, and associated project start-up and close-out activities:

Senior Construction Manager:	320 Hrs. @ \$220.00	70,400.00
Resident Engineer:	720 Hrs. @ \$210.00	151,200.00
Electrical Support:	90 Hrs. @ \$210.00	18,900.00
Field Engineer:	240 Hrs. @ \$160.00	38,400.00
Scheduler:	50 Hrs. @ \$210.00	10,500.00
Butier Engineering, Inc.:		<u>\$289,400.00</u>

A-1

Approved for use 2/15/20



## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated August 18, 2020 (“Effective Date”) and is between the City of Manhattan Beach, a California municipal corporation (“City”) and Butier Engineering, Inc., a California corporation (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

### RECITALS

A. City issued Request for Proposals No. E1245-20S on May 11, 2020, titled “Professional Construction Management and Inspection Services for the 8 MG Peck Reservoir Replacement Project”. Consultant submitted a proposal dated June 10, 2020 in response to the RFP.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant as an independent contractor and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

#### 1. **Consultant’s Services.**

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the “Services”) for Construction Management and Inspection Services for the 8MG Peck Reservoir Replacement Project, attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be Mark M. Butier Jr., President/CFO (the “Consultant Representative”). The Consultant Representative shall directly manage Consultant’s Services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like



professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

H. Prevailing Wages. This Agreement calls for services that, in whole or in part, constitute “public works” as defined in the California Labor Code. Therefore, as to those services that are “public works”, Consultant shall comply in all respects with all applicable provisions of the California Labor Code, including those set forth in **Exhibit C** hereto.

**2. Term of Agreement.** The term of this Agreement shall be from the Effective Date through December 31, 2023, unless sooner terminated as provided in Section 12 of this Agreement or extended.

**3. Compensation.**

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the hourly rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Consultant be paid more than \$2,555,229.00 (the “Maximum Compensation”) for such Services.

B. Expenses. The amount set forth in paragraph 3.A. above includes reimbursement for all expenditures incurred in the performance of this Agreement.

C. Unauthorized Services and Expenses. City will not pay for any services not specified in the Scope of Services, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services in writing prior to Consultant’s performance of those services or incurrence of additional expenses. Any additional services or expenses authorized by the City Council, or (where authorized) the City Manager shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

#### 4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

**5. Independent contractor.** Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

#### 6. Information and Documents.

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the Services, surveys, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

**7. Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

**8. Indemnification, Hold Harmless, and Duty to Defend.**

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and

those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 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. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall 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, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. 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. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

## 9. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$2,000,000.00 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Broader Coverage/Higher Limits. If Consultant maintains broader coverage and/or higher limits than the minimums required above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

L. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

## **10. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**11. Records and Inspections.** Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

## 12. Termination of Agreement.

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

**13. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

## 14. Default.

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

**15. Notices.** Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by



courier service during Consultant’s and City’s regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO CITY:

City of Manhattan Beach  
Department of Public Works  
Attn: Gilbert Gamboa, Project Manager  
1400 Highland Avenue  
Manhattan Beach, California 90266

TO CONSULTANT:

Butier Engineering, Inc.  
Attn: Mark M. Butier Jr.  
17822 E. 17<sup>th</sup> Street, Suite 404  
Tustin, California 92780

COPY TO CITY ATTORNEY:

City of Manhattan Beach  
Attn: City Attorney  
1400 Highland Avenue  
Manhattan Beach, CA 90266

**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City’s prior written consent. City’s consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, “assignment” and “delegation” means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

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

**21. Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

**22. Non-Appropriation of Funds.** Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**23. Exhibits. Exhibits A, B and C** constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a

provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

**24. Entire Agreement and Modification of Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

**25. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

**26. Word Usage.** Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

**27. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

**28. Business Days.** "Business days" means days Manhattan Beach City Hall is open for business.

**29. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

**30. Attorneys' Fees.** In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

**31. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and

enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**32. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

**33. Corporate Authority.** Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Manhattan Beach,  
a California municipal corporation

Consultant:

Butier Engineering, Inc.,  
a California corporation

DocuSigned by:  
By: Bruce Moe 8/19/2020  
Name: Bruce Moe  
Title: City Manager

DocuSigned by:  
By: Mark M. Butier, Jr. 8/11/2020  
Name: Mark M. Butier Jr.  
Title: President/CFO

ATTEST:

DocuSigned by:  
By: Liza Tamura 8/19/2020  
Name: Liza Tamura  
Title: City Clerk

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PROOF OF AUTHORITY TO BIND  
CONTRACTING PARTY REQUIRED**

APPROVED AS TO FORM:

DocuSigned by:  
By: Quinn Barrow 8/19/2020  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

DocuSigned by:  
By: Steve S Charelian 8/18/2020  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

DocuSigned by:  
By: Stephanie Katsouleas 8/17/2020  
Name: Stephanie Katsouleas  
Title: Public Works Director

## EXHIBIT A SCOPE OF SERVICES

### **Task 1 – Preconstruction Services**

#### **1.1 Review Construction Documents**

The Butier Team will review the contract plans, specifications, quantities, permits and other project related documents, including requirements found in the Special Provisions for possible errors and deficiencies and report such findings to the City Project Manager.

#### **1.2 Field Investigation**

The Construction Manager (CM) and Field Inspectors will conduct a pre-construction site video survey with the Contractor prior to the NTP. The survey will document the existing condition of all areas potentially impacted by the Project work. The Butier Team will take digital photographs as necessary to document the existing site conditions. **Including a drone survey of the entire impacted project area.**

#### **1.3 Project Construction Management Plan**

The CM will review the Project Construction Management Plan (CMP) and staging plans and will propose revisions for construction, as necessary.

#### **1.4 Phasing and Sequencing**

The CM will analyze phasing and sequencing of operations to be performed during construction prior to the submittal of the proposed baseline schedule.

#### **1.5 Review Contractor's Baseline Schedule**

Butier's CM and Senior Scheduler will evaluate the Contractor's Baseline Schedule and will confer with the City Project Manager regarding feasibility of the schedule and propose revisions for improvement.

#### **1.6 Traffic Control Plan**

The CM will provide a cursory review the submitted Traffic Control Plan. Our review will be limited to ensuring the contractor has followed the traffic plan presented in the bidding documents during pre-construction reviews including methods of pedestrian and vehicular school area traffic control.

#### **1.7 Construction Phase Filing System**

The Project Manager and CM will develop and maintain a construction phase filing system. The system will be discussed further under Task 2. Construction Phase.

#### **1.8 Conflict and Dispute Resolution**

Butier will implement proven methods for resolving conflicts in the plans and specifications, responses to RFI, PCO, CCO, and providing work directives. These will be included in Butier's CM Communications Manual, which will be submitted to the City's Project Manager for approval.

## **1.9 Pre-construction Meeting**

The PM and CM will schedule and facilitate a pre-construction meeting with the Contractor, the City, the Design Engineer, School District representatives, affected utility companies, and other critical project stakeholders. The project team will outline the following: contract administration guidelines, contractual roles, reinforcement of specific requirements for safety, access, and coordination issues for the work.

## **1.10 Progress Payment Procedures**

The PM and CM will develop Contractor progress payment procedures and other CM procedural items for approval by the City.

## **1.11 Safety**

The CM and Field Inspectors will maintain an awareness of safety and health requirements and enforce applicable regulations and contract provisions for the protection of the public and project personnel. The Team will review the Contractor's Injury and Illness Prevention Plan (IIPP) and Job Hazard Analyses (JHA) and will observe the Contractor's work to ensure conformance with OSHA requirements.

## **1.12 Permits**

The Butier Team will assist the Contractor in obtaining building and special permits for temporary and permanent improvements, except for permits required to be obtained directly by the various subcontractors.

## **Task 2 – Construction Services**

### **2.1 Mobilization**

The CM Team will coordinate the installation of a Contractor-furnished field office facility. The CM Team will maintain a fully equipped project field office to perform all required duties, conduct meetings, and coordinate on-site temporary facilities. Butier will provide the necessary field equipment or services beyond those provided by the Contractor per the Special Provisions

### **2.2 Project Coordination & Correspondence**

#### **a) CM Communications Manual**

The PM and CM will prepare a Construction Management Communications Manual to be approved by the City's Project Manager. The Communication Manual will include the following:

**Project Organization:** Individual assignments, responsibilities, phone numbers, lines of communication, and methods for interfacing with the City, local agencies, subcontractors, other contractors under contract to the City, and Contractor.  
Organization chart showing relationships between the parties involved.

**Communication Management:** Document control systems and procedures; distribution lists for each type of project documentation; and examples of all required Contractor forms to transmit and formalize all RFIs, submittals, and substitution requests.

**Meeting and Notice Procedures:** Schedules, notices, agendas, reporting procedures, documentation requirements, and timely acceptance processes.

**QA/QC:** Procedures, laboratory testing, field-testing, factory inspection and testing, coordination checks, and construction inspection activities for all project features, equipment, and materials; and separate sections for each specification section; and

**Contract Administration:** Description of control systems and procedures **utilizing Procore** for performing and documenting submittal reviews, clarifications, RFIs, change orders, claims management, contract closeout activities, and other contract administration procedures.

#### **b) Electronic Document Control System**

The Butier Team utilizes **Procore**—a cloud-based construction project management solution—to organize, manage and control project documentation. The advantages of Procore include unlimited users, unlimited storage, 24/7 visibility into project status, and a centralized, comprehensive platform to manage vital project data. All parties involved have access to the system. Each user can access the program via a web browser on their computer or mobile device using secure log-in information.

Additionally, Procore can be configured to display the latest **Primavera P6** construction project schedule and weather information, both current and forecast. At the conclusion of the project, project-related documentation is converted to PDF format and distributed to the appropriate parties.

#### **c) Construction Progress Meetings**

The CM will schedule, coordinate, and conduct weekly (or as necessary) construction contract coordination/progress meetings with the Contractor, the City, and other necessary stakeholders. The meetings will cover site safety, progress, job problems, and any actions requiring clarification of design intent, ambiguities in contract documents, and other key issues. Action monitoring will be implemented to ensure compliance and timely response by all parties.

#### **d) Labor Compliance Reviews**

The CM will perform labor compliance reviews and correspond with the Contractor on any outstanding issues.

#### **e) Monthly Construction Progress Reports**

The CM will prepare a written summary report with progress photos monthly for the City's internal review. The summary report will provide details of the entire project, including project costs to date citing the status of time and costs associated with the project; reconciliation of contract time, work progress, and manpower usage by the Contractor; and key issues addressed or arising from the project requiring resolution..



## **f) Construction Documents**

The CM will maintain at the Project site for the City one record copy of all contracts, drawings, specifications, addenda, change orders and other modifications.

## **g) Record Drawings**

The Butier Team will review the Contractor's record drawings monthly to ensure that timely recording is being accomplished. The CM will ensure that City record drawings identify RFIs, shop drawing revisions, change order modifications, etc. and that they are updated weekly. The record drawings will be submitted to the Design Engineer at the completion of the project. The CM will coordinate the submittal of completed record drawings to the City's Project Manager. Butier will be utilizing **Blue Beam for as-built generation.**

## **2.3 Construction Schedule Management**

The CM and Senior Scheduler will review and monitor the Contractors' Baseline Schedule to ensure it conforms to the Contract Documents and contains all project tasks. In addition, they will review and monitor the Contractor's two-week look-ahead schedule, monthly schedule updates, Time Impact Analyses, schedule revisions, and as-built schedule submittals. The CM will update the project schedule to reflect actual progress and changes. All Contractor delays, reasons for delay, length of time for delay, and phases of work will be documented.

## **2.4 Progress Payment Requests**

Receive, check, and verify all Contractor monthly progress payment requests and other project-related invoices based upon the cost-loaded schedule. The progress payment worksheet will be based on an approved schedule of values.

## **2.5 Requests for Information**

Coordinate the RFI review process and route all RFIs to the appropriate reviewer. The documentation will be logged, tracked, maintained, and organized in the electronic document control system in PDF format. All responses will be monitored with suspense action dates and follow-up procedures implemented to ensure timely action by all parties to project issues including input from City staff.

## **2.6 Shop Drawings and Submittal Reviews**

Using a systematic tracking procedure established by the CM for timely submittal review and processing of shop drawings with means for acceleration of review possible for significant critical controlling shop drawings. Submittal tracking will be introduced into the electronic document control system and status of submittals will always be known. The CM will provide limited reviews as shop drawings are received during the construction phase and provide recommendations and review comments supplemented by City staff.

## **2.7 Contract Change Orders (CCO)**

Prepare contract change orders on City-provided forms within 30 calendar days of completion of change order work. The CM will track, document, and negotiate changes for added costs or credits with the Contractor and evaluate schedule impacts of changes. The

CM will have no authority to issue changes or modifications to the contract documents. The CM will advise the City's PM of equitable cost and time adjustments for proposed or authorized changes.

## **2.8 Construction Observation/Inspection**

The Butier Team will provide both day-to-day on-the-job observation/inspection of all construction work on the project over a 30-day preconstruction period and a 360-working day construction period, including full-time inspector(s) and as-needed specialty inspector(s). We will provide on-site inspection services as necessary to verify the Contractor's work is performed in compliance with the contract documents, industry standards. Additional Field Inspector responsibilities include the following:

- **Pre-Construction Survey:** Perform a pre-construction site video survey with the Contractors prior to the NTP. Document the existing condition of all areas that will be impacted by construction. The Field Inspectors will take digital photographs to document the existing conditions. **Butier will also provide drone video as part of our service.**
- **Schedule Review:** Reviewing the Contractors' two week "look ahead" schedules and coordinate staffing needs with Butier's Project Manager.
- **RFIs:** Discuss responses to RFIs with Butier's CM as required and coordinate the replies to the Contractors; review of the submittals; provide non-conformance reports; and provide documentation of construction activities, duration of activities, manpower and equipment allocation.
- **Daily Inspection Reports:** Maintain daily inspection reports, which will be submitted to the City on a weekly basis. The reports will document construction activities for each well, including the date, day of week, and weather conditions; hours of work; personnel on site; equipment being used; details of each activity; controversial matters/disputes; deficiencies; violations and instructions issued to the construction contractor; safety concerns;
- **Photographic Records:** Provide weekly photographic/digital records of each project during construction. Log construction digital photographs daily. A digital photographic library will be maintained of significant construction activities. The photographs will be labeled with the date, location, and narrative information.

**Reports will include all scope items listed in Task 2.7 in the Request for Proposal.**

## **2.9 Claims Management**

Butier's CM will evaluate all claims by the Contractor seeking additional costs or additional time. The documentation of claims issues is included in the Document Control System and provide the Team with detailed data for determining the validity of requests. Butier's CM will assess whether the claim is merited and make recommendations on resolution or denial of claimed costs. The CM will identify, prepare, log and monitor Contractor claims or changes and will prepare a position paper setting forth the contractual basis of the change order entitlement, background leading to the request for potential change order.

## **2.10 Safety Program**

The CM and Field Inspectors will maintain an awareness of safety and health requirements and enforce applicable regulations and contract provisions for the protection of the public and project personnel. The Team will review the Contractor's Injury and Illness Prevention Plan (IIPP) and Job Hazard Analyses (JHA) and will observe the Contractor's work to ensure conformance with OSHA requirements. The CM will promptly notify the Contractor and the City's Project Manager of any observed safety violations.

## **2.11 Utility Coordination**

The CM will include the City Project Manager on all correspondence; coordinate with any impacted outside agency staff in matters of utility conflict or inspection in order to achieve expedited resolution; monitor, log and ensure the Contractor's compliance with the Contract Documents and Underground Service Alert (USA) regarding the location and preserving the integrity of existing underground utilities at the site; assist in the coordination with the required undergrounding of existing overhead utilities including, but not limited to electrical and fiber optic communication services to the site; and assist in the coordination of temporary and permanent relocation of City owned network communication antennae.

## **2.12 City Furnished Materials and Services**

The CM Team will arrange for the delivery, storage, protection, and security of City purchased materials, systems and equipment that are a part of the project until such items are incorporated into the project. The CM Team will assist the City's programming vendor with control strategy and instrumentation programming integration including testing the program and demonstrating the functionality of all equipment specified in the Contract Documents.

## **2.13 Testing and Startup**

With the Design Engineer and the City's maintenance personnel, the CM and Field Inspectors will observe the Contractor's final equipment testing and plant startup of all utilities, operational systems, and equipment.

The CM Team will ensure the Contractor's compliance with all applicable tests, check out, startup and related requirements indicated in the Contract Documents; verify all applicable manufacturer installation inspections have been completed by the Contractor; and review the Testing and Startup Plan developed by the Contractor to ensure compliance with Contract Documents and manufacturer requirements.

Due to the highly complex operations involved with the startup of a treatment plant, the CM Team will assist in the coordination of all required parties for a successful startup. In addition, they will monitor the use of product water during startup and ensure the water is discharged appropriately.

## **Task 3 – Public Relations and Outreach**

Butier has selected Murakawa Communications (Murakawa) to provide Public Relations and Outreach services for the Peck Reservoir Project.

At the start of the project, the public outreach team will work with the key principal team members to establish an effective communications protocol to ensure we are well informed with project facts.

Staff will participate in the pre-construction and or kick-off meeting(s) as well as regular progress meetings maintaining regular communication with principal parties to proactively identify key issues and potential challenges.

### **3.1 Develop Collateral Material**

All collateral material will be developed in communication and cooperation with the City project manager, construction manager, with information from the contractor and any other parties as needed. All approvals will be in place before production and distribution. Collateral materials may include the following:

#### **a) Internal/External FAQ**

An internal frequently asked questions document will be produced for the project team and will serve to provide consistent responses to expected questions by project team members.

#### **b) Project Fact Sheet**

A general project fact sheet will be developed to describe each project, its needs, benefits, and importance.

#### **c) Construction Notices and Emergency Notices**

Notices will contain pertinent information including the dates, times and locations of affected work, what stakeholders should expect during the construction activity and where to call, email or access more details about the project, Construction notices will be posted on the City's website and distributed to institutional stakeholders (school district, schools, etc.), and dropped off door-to-door to those directly affected.

#### **d) Copy for the Project Website**

We will develop copy for the project webpage that will be hosted by the City of Manhattan Beach.

#### **e) Meeting Flyers**

We will develop a meeting flyer or a set of meeting flyers to promote community meetings or this project.

#### **f) Presentations**

A standard (template) presentation will be developed and tailored for use for public meetings and presentations to key stakeholder organizations that may include commissions, city council, homeowners, businesses, and others.

#### **g) Project Business Cards**

We will develop project business cards that we will distribute to residents and stakeholders directly affected by the construction of these projects. The information will include the construction outreach team member's name, email address and a phone number along with

the website address for more information, so stakeholders will know who to call with questions, concerns or issues about the projects.

#### **h) Social Media Posts**

Key project information will be on the City's **NextDoor** account directing residents to the project webpage on the City's website. We will make a strategic recommendation about whether to include Facebook, Instagram, and Twitter as part of the construction awareness for this project.

#### **i) Nixle/South Bay Alerts**

Depending on significant construction activity and impacts or major milestone events that could include traffic impacts or parking restrictions, we may draft copy for Nixle alerts or South Bay Alerts to drive residents to the City website project page for details.

#### **j) E-newsletters/Patch**

If we build a project database of key stakeholders, we may produce a project newsletter distributed via email or we may provide newsletter articles that include photos showing progress that can be included in the City's email updates.

We could also send articles and photos to the Manhattan Beach Patch.

### **3.2 Project Website**

As stated above, we will develop copy for the City's website for the project. Information will include the project description outlining the purpose, benefits and needs along with the project fact sheet and construction notices for download, a map of the project area, general description of the timeframe for the construction activities, photos showing progress, renderings (optional) and the phone number, email and name of a member of our team for questions and concerns.

### **3.3 Public Outreach Meetings and Events**

We will coordinate public meetings as needed for the project to raise awareness among the directly affected stakeholders so they will know who to contact about any questions or concerns related to the project and its construction.

#### **a) Public Meetings**

We will coordinate up to three (3) public meetings if deemed necessary by the City and project team at a City venue. After the project kick-off meeting, we may determine other methods to communicate to stakeholders.

#### **b) Neighborhood Pop-Up Meetings or Neighborhood Office Hours**

Another option in addition or in lieu of the formal public meeting format that we also recommend is neighborhood pop-up meetings and neighborhood office hours. Neighborhood pop-up meetings and office hours are promoted via canvas and on the project webpage on the City's website.

#### **c) Groundbreaking/Milestone Special Events**

The project team will plan and coordinate major milestone events to publicly celebrate project successes. These may include an official groundbreaking event, topping off ceremonies, first pours, and the grand opening/ribbon cutting event.

#### **d) City Council Presentations/Updates**

We will work with the project team to coordinate regular quarterly project updates for the city council as appropriate.

### **3.4 Public Concerns and Complaints**

We will work with the project team and handle all concerns, questions, and complaints with stakeholders.

#### **a) Community Construction Information Hotline and Email**

Create a construction information hotline for stakeholders to call that will go directly to a team member's cell phone so calls will be answered live. It is our regular practice to be available 24/7/365. All contacts will be tracked and logged and included as part of the monthly report.

### **Task 4 – Environmental Impacts Monitoring**

Butier has selected **Ninyo & Moore** to provide Air Quality, Hazardous Materials, and Noise Mitigation services. In addition, **PaleoWest** will be responsible for providing Biological Resources and Cultural Resources services.

As part of the environmental review of the project pursuant to the California Environmental Quality Act (CEQA) guidelines, an Initial Study consisting of a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MNRP) were prepared and adopted in conjunction with the City of Manhattan Beach Use Permit.

#### **4.1 Air Quality Mitigation**

In accordance with the requirements of the Initial Study for the project, Ninyo & Moore will provide air quality monitoring and documentation services to ensure all mitigation measures described in the Initial Study are implemented during demolition, excavation, grading, and site preparation phases of the project. In addition, Ninyo & Moore staff will monitor the construction areas for proper implementation of mitigation measures.

#### **4.2 Biological Resources**

Paleo West will provide and coordinate mitigation measures under the MBTA if required.

#### **4.3 Cultural Resources**

PaleoWest will provide and coordinate the necessary monitoring resources in the event previously unknown archeological and/or paleontological issues are encountered.

#### **4.4 Hazardous Materials Mitigation**

Ninyo & Moore will provide asbestos abatement monitoring services for the planned removal of asbestos containing mastic and window glazing of the existing operations control building (including any other requested locations) prior to the demolition of the structure. The

monitoring will be performed to confirm containment and compliance with 29 Code of Federal Regulations 1929.1101 for asbestos abatement.

If needed, Ninyo & Moore will also provide an asbestos and lead survey of existing structures planned to be demolished. ASST or CAC will perform asbestos surveys in accordance with (AHERA), (EPA), (NESHAP) and the local South Coast Air Quality Management District Rule 1403 requirements. Asbestos samples will be analyzed at a laboratory that participates in the National Volunteer Laboratory Accreditation Program. The lead survey will be performed by a California Department of Public Health Certified Lead Inspector/Assessor. The survey of the painted surfaces will be patterned after HUD inspection protocol.

Since suspect underground piping is planned to be removed, a Cal-DOSH CAC may have to prepare a Procedure 5 abatement plan in accordance with SCAQMD Rule 1403 requirements.

#### **4.5 Noise Mitigation**

Ninyo & Moore will provide noise monitoring services as needed, during the demolition, excavation, grading, and site preparation phases of the project. Ninyo & Moore will review the Noise Mitigation Plan (MNP) developed by the Contractor for all phases of operations to ensure compliance with all local requirements, including the City of Manhattan Beach municipal code's permitted construction hours. Ninyo & Moore staff possess relevant training to use personal and field noise level meters.

#### **4.6 Traffic Mitigation**

The CM Team will monitor all mitigation measures including Construction Management Plan (CMP), designated construction haul routes, and repaving of local streets adjacent to the project site in order to minimize the potential local traffic impacts generated from construction vehicles traveling to and from the Project site. The CM Team will also review and monitor the CMP detailing measures to minimize disturbance to the neighborhood and school district.

#### **4.7 Vibration Monitoring: GeoVision**

GeoVision will develop a vibration monitoring program that addresses public relations, risk mitigation, and construction activity control. Specific tasks are:

##### **Pre-Construction Survey**

Document the structural and nonstructural condition of the nearby residences prior to the start of demolition. Anticipate that 15 homes for the survey. A photographic survey led by an experienced and California-registered Civil Engineer is the core activity. A brief report with a digital photo archive is the product of this task.

##### **Vibration Monitoring Program Development**

Develop a vibration monitoring plan based on recommendations from the results of Task 1 and a review of the contractor's timeline and methods. This will include recommendations for vibration criteria, vibration monitoring, vibration alerting, and vibration mitigation. The task deliverable is formal structural monitoring program document, to be reviewed and approved by appropriate City staff and consultants.

### Vibration Monitoring

Install, operate, and maintain appropriate construction vibration monitoring stations to measure peak particle velocity (PPV) at locations specified in the Vibration Monitoring Program. These will include a seismograph, sensor, visual alarms if needed, and the capability to automatically send email and text notifications via cellular data if warning and regulatory thresholds are exceeded. Calibrated Instantel MicroMate seismographs will be used. These seismographs have the capability to record both a continuous PPV a from at least 1 Hz to 100 Hz. Tentatively, two fixed stations will be installed in or near residences and two stations will rove with the construction activities. The seismographs will be programmed to monitor continuously on three axes, recording PPV at 1-second intervals continuously and sending out alarms if vibrations exceed the specified threshold. Staff will visit the site every two weeks to perform maintenance, change batteries (if AC power is not available), and collect vibration data.

### Public Relations, Reporting and Meetings

Dr. Robert Nigbor PE will supervise this vibration monitoring effort. He will be available for various meeting of the construction team and their City client as required. Dr. Nigbor can also participate in public or private meetings with the community.

Monthly reports summarizing the monitoring program will be provided per the Task 2 monitoring plan. Should there be alarms, staff will be on call to assess the vibration data and to advise the construction team on the required response to this condition.

For Additional Task 4 detail, see the proposals submitted by Ninyo & Moore and GeoVision, attached to this Scope of Services in Exhibit B (pages B-3 to B-18).

### Task 5 – Traffic Management

The CM Team will ensure that the Contractor minimizes traffic impacts and provides for public safety and convenience during all phases of the work. **The CM Team will be responsible for monitoring the contractor's implementation of the approved traffic control plans and scope items under Task 5. Any deviations from the approved traffic control measures will be submitted to the City of Manhattan Beach. It is imperative the City and its agents ensure any traffic related liability remain with the Contractor.**

### Task 6 – Soils/Materials Testing Services

Butier has selected **Ninyo & Moore** to perform Soils/Materials Testing services. The following is an abbreviated summary of N&M Scope of services. Ninyo will perform all scope elements under Task 6.

Project coordination, technical support, and management, including review of the project plans and specifications, distribution of test data and reports, and work scheduling.

Senior Project Engineer/Geologist for observation of remedial excavation bottoms.  
Supplemental written recommendations will be provided as needed.



Field Technician services for observation, sampling and testing during earthwork including during structure pad preparation, structure backfill, trench backfill, subgrade preparation, MSE wall construction and during aggregate base and asphalt concrete pavement operations. Field density tests will be performed to evaluate the Contractor's compaction efforts.

Field Technician services for sampling and testing during concrete and grout placement, including checking mix design, slump and temperature, as well as casting of a set of compressive strength samples to represent each batch.

Preparation of a Final As-Graded Report which presents our opinion of the earthwork observed in the field and summarizes the field density test results.

For Additional Task 6 detail, see the proposal submitted by Ninyo & Moore, attached to this Scope of Services in Exhibit B (pages B-3 to B-14).

## **Task 7 – Post Construction Services**

### **7.1 Punch List and Substantial Completion**

The CM and Field Inspectors will prepare a detailed project punch list and will coordinate with the City, the Design Engineer, and the Contractor for construction testing, technical training, and start-up procedures for final acceptance. **Dispute Resolution and Final Payment**

Negotiate and resolve outstanding Contract Change Orders, global settlements, and any other items necessitating dispute resolution.

Prepare a Project application for final payment based on the Contractor's certificate for final payment. The Consultant's application for payment will constitute a representation to the City.

Make note that filing of Notice of Completion will necessitate formal approval and acceptance of the Project as complete by the City Council.

### **7.2 Project Closeout Deliverables**

Review all final Contractor closeout submittals.

Prepare, organize, and provide all Project File workbooks in electronic format and one hard copy. The closeout procedure will provide the City with a highly organized, searchable pdf files for close-out. Including pictures and video.

Secure and transmit electronically and two (2) hard copies to the City warranties and similar submittals required by the Contract Documents and ensure the Contractor compiles manufacturer's operations and maintenance (O&M) manuals.

Secure final as-built marked plan set from Contractor and coordinate with Design Engineer to provide record as-built drawings.

Assist the Contractor in obtaining the Certificate of Occupancy and closeout of all Building Division related permits.

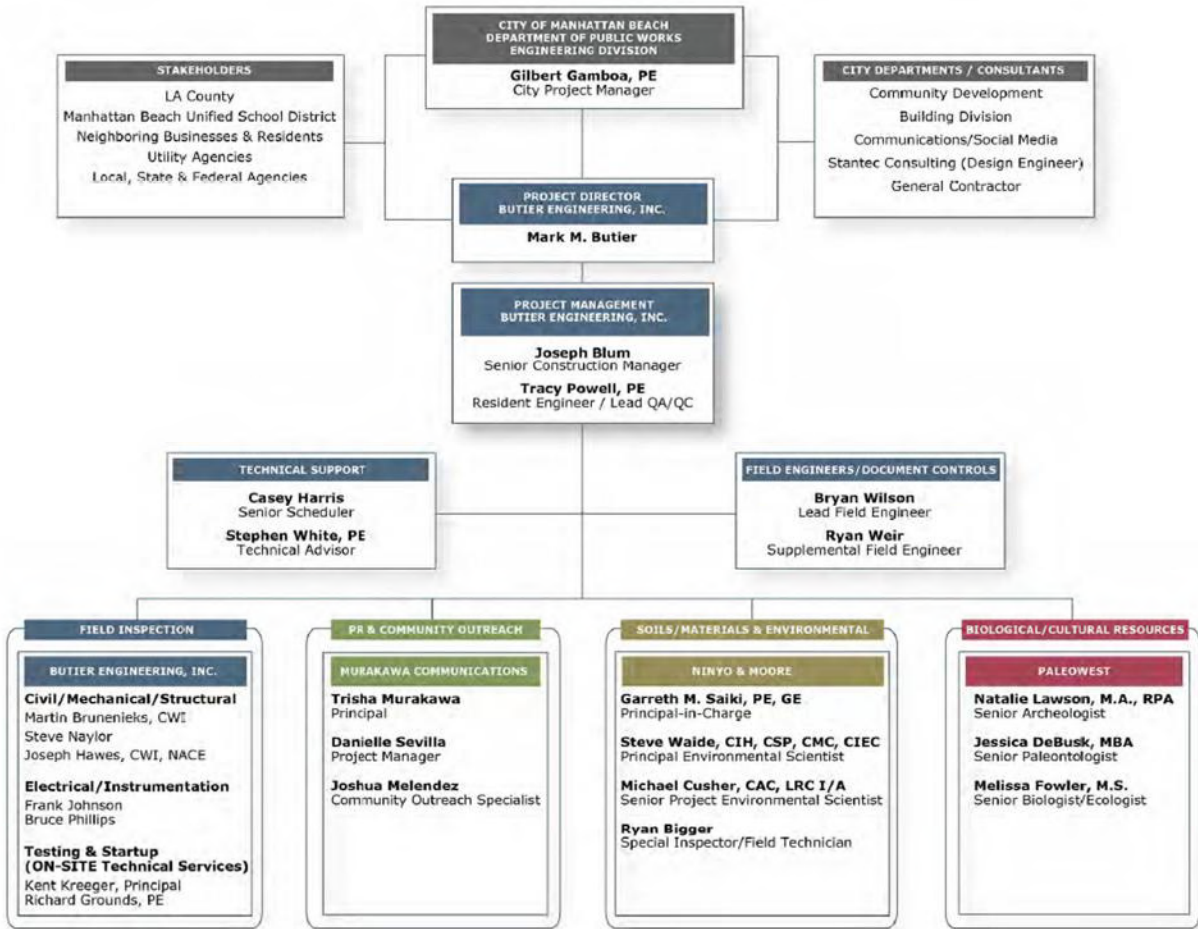
Prepare final accounting and closeout reports of all indicated report systems to summarize, for historical purposes, any items that are not self-explanatory.

Perform a pre-warranty inspection walk through with the City no later than eleven (11) months following the date of substantial completion of the Project and provide assistance throughout the Contract warranty period.

Manage the transfer of the plant and building operations to the City.

Coordinate the training of City maintenance personnel with the Contractor's suppliers for operation and maintenance of the major systems.

### Project Team Organizational Chart





Task 3 – Murakawa Public Outreach Sub-Consultant Cost Matrix

Tasks	Description	TM		JM		DS		Total	Total
		Hours	200	Hours	100	Hours	165	Hours	Cost/Task
1	Meetings and communication with project team (General Outreach Information)	144	28,800	48	4,800	48	7,920	240	41,520
2	Develop Collateral Material	46	9,200	4	400	8	1,320	58	10,920
3	Project Website	22	4,400	0	0	0	0	22	4,400
4	Public Outreach Meetings and Events	74	14,800	36	3,600	36	5,940	146	24340
5	Public Concerns and Complaints	16	3,200	12	1,200	0	0	28	4400
6	Crisis Communications Plan	2	400	2	200	0	0	4	600
7	Monthly Report	40	8,000	0	0	0	0	40	8000
8	Project Close Out	6	1,200	2	200	2	330	10	1730
	Subtotal - labor	350	70,000	104	10,400	94	15,510	548	95910

Direct Costs	Cost
graphic design	2000
printing/photocopies	2000
meeting materials and supplies	2400
Subtotal - direct costs	6400
Total	102310

Notes:

Events/Meetings include  
 3 community meetings  
 5 neighborhood office hours sessions  
 ground breaking event, 4 milestone photo ops, grand opening event  
 5 city council presentations  
 canvas program  
 community construction hotline



June 2, 2020  
Proposal No. 04-02814

Mr. Mark Butier  
Butier Engineering, Inc.  
17822 E. 17th St., Suite 404  
Tustin, CA 92780

Subject: Proposal for City of Manhattan Beach 8MG Peck Reservoir Replacement Project-  
Task 4 – Environmental Impacts Monitoring: Air Quality, Hazardous Materials  
Mitigation, and Noise Mitigation services and Task 6 – Soils and Materials Testing  
and Inspection Services

Dear Mr. Butier:

Ninyo & Moore is pleased to submit this proposal for environmental consulting and soils and materials testing and inspection services during construction of the 8MG Peck Reservoir Replacement project in Manhattan Beach, California. We have prepared this proposal based on our review of the project plans, specifications and geotechnical report. We understand that that the planned project will generally consist of replacing the existing reservoir and constructing a new Operations Building, Pump Station and Electrical Building, a Chemical Building and other various site improvements. The new reservoir will be sited in approximately the same location as the existing reservoir. The reservoir will be partially buried with dimensions of 270 feet by 190 feet. The reservoir structure will be cast-in-place concrete, with concrete foundations, walls, columns and roof. The Operations Building will generally consist of concrete foundations, masonry walls and steel roof support system. The Pump Station and Electrical Building will consist of cast-in place concrete foundation, walls and roof. The Chemical Building will consist of concrete foundations, masonry walls and steel roof support. The project will also include a Backwash Tank and Sand Vessel Structure. This structure will consist of a concrete mat foundation. Other improvements include a mechanically stabilized earth (MSE) retaining wall, concrete equipment pads, concrete access vaults, yard piping, storm water mitigation system, access road, pavement, fencing, gates and landscaping. The earthwork is anticipated to include overexcavation and recompaction to provide a 3 feet thick layer of engineered fill below the proposed structures. The engineered fill will be compacted to 95% compaction. The structure pad preparation will also include installation of a drainage rock layer. We also understand that the construction duration is anticipated to be 18 months.

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## SCOPE OF SERVICES

### TASK 4 - ENVIRONMENTAL IMPACTS MONITORING

As part of the environmental review of the project pursuant to the California Environmental Quality Act (CEQA) guidelines, an Initial Study consisting of a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MNRP) were prepared and adopted in conjunction with the City of Manhattan Beach Use Permit. Ninyo & Moore will provide environmental monitoring services related to Air Quality Mitigation, Hazardous Materials Mitigation and Noise mitigation as described below.

#### 4.1 Air Quality Mitigation

In accordance with the requirements of the Initial Study for the project, Ninyo & Moore will provide air quality monitoring and documentation services to ensure all mitigation measures described in the Initial Study are implemented during demolition, excavation, grading, and site preparation phases of the project. Dust monitoring services include tracking meteorological information available online and monitoring fugitive dust emissions onsite and on the property perimeter in accordance with the South Coast Air Quality Management District's Rules 401 (Visible Emissions) and 403 (Fugitive Dust). Typically, dust levels are monitored in the work area, upwind, and downwind of the work area, based on wind direction and speed obtained from an on-site weather monitoring station or online information. Instruments such as direct reading PDR-1200 personal dust monitors or equivalent instruments equipped with data loggers are used to monitor for airborne particulates.

In addition, Ninyo & Moore staff will monitor the construction areas for proper implementation of mitigation measures including watering active construction areas to keep dust down, covering of soil stockpiles to prevent off site migration of soils by wind and water, as well as proper housekeeping measures including periodic street-sweeping to prevent tracking of soil offsite along haul routes.

Ninyo & Moore staff possess relevant training and certifications issued by the SCAQMD for field dust control monitors.

#### 4.4 Hazardous Materials Mitigation

Ninyo & Moore will provide asbestos abatement monitoring services for the planned removal of asbestos containing mastic and window glazing of the existing operations control building (including any other requested locations) prior to the demolition of the structure. The monitoring will be performed to confirm containment and compliance with 29 Code of Federal Regulations 1929.1101 for asbestos abatement. Prior to the start of work abatement contractor project submittals including but not limited to the Contractor work plan, the South Coast Air Quality Management District (SCAQMD) notification, contractor licensure and worker documentation will be reviewed and approved. Air monitoring and contractor observations will be performed to confirm that asbestos contamination will be isolated to the containment locations. Monitoring will be performed by California Division of Occupational Safety and Health (Cal-DOSH) Asbestos Site Surveillance Technician (SST) under the direct supervision of a Cal-DOSH Certified Asbestos Consultant (CAC). When abatement activities are completed, a close-out report documenting project activities, air sampling, and waste characterization as well as waste transportation and disposal will be submitted.

If needed, Ninyo & Moore will also provide an asbestos and lead survey of existing structures planned to be demolished. A SST or CAC will perform asbestos surveys in accordance with the Asbestos Hazard Emergency Response Act (AHERA), the United States Environmental Protection

Agency (EPA) National Emission Standards for Hazardous Air Pollutants (NESHAP), and the local South Coast Air Quality Management District Rule 1403 requirements. Asbestos samples will be analyzed at a laboratory that participates in the National Volunteer Laboratory Accreditation Program. The lead survey will be performed by a California Department of Public Health Certified Lead Inspector/Assessor or a Lead Sampling Technician by X-Ray fluorescence (XRF) analysis. The XRF will be operated in accordance with the Performance Characteristic Sheet associated with the instrument. The survey of the painted surfaces will be patterned after the United States Department of Housing and Urban Development guidelines lead based paint inspection protocol.

Sampling activities and laboratory results will be summarized in report format to include findings, and recommendations for abatement. Since suspect underground piping is planned to be removed, a Cal-DOSH CAC may have to prepare a Procedure 5 abatement plan in accordance with SCAQMD Rule 1403 requirements.

#### 4.5 Noise Mitigation

Ninyo & Moore will provide noise monitoring services as needed, during the demolition, excavation, grading, and site preparation phases of the project. Ninyo & Moore will review the Noise Mitigation Plan (MNP) developed by the Contractor for all phases of operations to ensure compliance with all local requirements, including the City of Manhattan Beach municipal code's permitted construction hours. Noise monitoring services include establishing background noise levels and comparing them to noise levels measured during construction activities for exceedance of City municipal code noise standards. Typically, noise levels are monitored in the work area, on the perimeter of the site and any identified sensitive receptors using hand held equipment or monitoring stations. Instruments such as Extech direct reading digital sound level meters or equivalent instruments equipped with data loggers are used to monitor for noise levels.

Ninyo & Moore staff possess relevant training to use personal and field noise level meters.

## ASSUMPTIONS

The following assumptions have been made in preparing our estimate of fees.

- Unobstructed access to the site will be provided by the owner from 6 a.m. to 6 p.m.
- Work will not be performed during inclement weather.
- Fieldwork is anticipated to be performed from Monday through Friday during normal business hours of 7 am to 5 pm.
- Fieldwork for fugitive dust and asbestos abatement monitoring is estimated at 8 hours onsite per day with 2 hours of travel.
- The duration of air and noise monitoring during field activities including demolition, excavation, grading and site preparation phases are anticipated for a duration of 12 weeks.
- Air monitoring for dust consists of deploying three dust monitors including one upwind, one downwind and one onsite close to site activities.
- Noise monitoring consists of deploying a total of three auto-logging noise meters.
- Storm water pollution prevention plan preparation, implementation and monitoring will be by others.



- The duration of asbestos monitoring requested for the removal of the window glazing at the operations control building is unknown. This proposal includes a three-day duration (Table 2).
- It is unknown if an asbestos and lead survey is needed for any of the structures. We have included a cost estimate for an approximate 2,500 square foot structure (Table 3).
- It is unknown if the underground piping requires evaluation. An asbestos survey would be required including preparation of a SCAQMD Procedure 5 plan. This proposal includes a cost estimate for evaluation of suspected underground piping and preparation of a SCAQMD Procedure 5 Plan (Table 4).

#### **TASK 6 SOILS AND MATERIALS TESTING AND INSPECTION**

Our scope of services will include the following:

- Project coordination, technical support, and management, including review of the project plans and specifications, distribution of test data and reports, and work scheduling.
- Senior Project Engineer/Geologist for observation of remedial excavation bottoms. Supplemental written recommendations will be provided as needed.
- Field Technician services for observation, sampling and testing during earthwork including during structure pad preparation, structure backfill, trench backfill, subgrade preparation, MSE wall construction and during aggregate base and asphalt concrete pavement operations. Field density tests will be performed to evaluate the Contractor's compaction efforts.
- Field Technician services for sampling and testing during concrete and grout placement, including checking mix design, slump and temperature, as well as casting of a set of compressive strength samples to represent each batch.
- Field Specialty Inspector services during structural concrete and masonry construction. Inspections and documentation will be performed to check rebar grade, size, location, clearances and spacing. Inspection of forms and water stops will also be performed. Inspection of masonry block cells will be performed prior to grouting. Fulltime observation will be provided during concrete and grout placement and consolidation.
- Field Specialty Inspector services during structural steel welding and bolting. NDT of welds will also be performed in accordance with the project specifications.
- Field Specialty Inspector services for inspection during installation of epoxy and/or expansion anchors.
- Field Technician with Equipment services for load and/or torque testing of epoxy anchors and expansion anchors.
- Preparation of progress reports, test data sheets, and field memoranda to document the items inspected.
- Pick-up and transportation of construction material samples for testing at our laboratory.
- Laboratory testing services including but not limited to proctor density, sieve analysis, sand equivalent, R-value, maximum density of AC and compressive strength testing of concrete, grout and mortar.
- Preparation of a Final As-Graded Report which presents our opinion of the earthwork observed in the field and summarizes the field density test results.

## ASSUMPTIONS

We have made the following assumptions:

- Our services are subject to prevailing wage requirements.
- Our services will be scheduled and coordinated by the project inspector or construction manager on an as-needed basis.

## FEE

We propose to provide our Environmental Impacts Monitoring, Asbestos Abatement Monitoring (Three Shifts), and our Materials Testing and Inspection services on a time-and-materials basis in accordance with the attached Schedule of Fees and Schedule of Fees for Laboratory Testing. Our Asbestos and Lead Survey and our Underground Piping Asbestos Survey and SCAQMD Procedure 5 Preparation services, will be provided on a lump- sum basis. Our fees for the scopes of services described herein is presented in the attached Tables 1 through 5.

We look forward to working with you on this project.

Respectfully submitted,  
**NINYO & MOORE**

Alfredo "Tino" Rodriguez  
Principal, Construction Services

AR/PT/MSR/rad

- Attachments:
- Table 1 – Breakdown of Estimated Fee-Environmental Impacts Monitoring
  - Table 2 – Breakdown of Estimated Fee - Asbestos Abatement Monitoring (Three Shifts)
  - Table 3 – Breakdown of Fee- Asbestos and Lead Survey
  - Table 4 – Breakdown of Fee - Underground Piping Asbestos Survey and SCAQMD Procedure 5 Preparation
  - Table 5 – Breakdown of Estimated Fee-Materials Testing & Inspection
  - Schedule of Fees
  - Schedule of Fees for Laboratory Testing

Distribution: (1) Addressee (via e-mail)

**Table 1 - Breakdown of Estimated Fee - Environmental Impacts Monitoring****Project Management and Review of Plans**

Principal Engineer/Geologist/Environmental Scientist	12 hours	@ \$ 178.00 /hour	\$ 2,136.00
Senior Engineer/Geologist/Environmental Scientist	24 hours	@ \$ 168.00 /hour	\$ 4,032.00
Project Engineer/Geologist/Environmental Scientist	12 hours	@ \$ 156.00 /hour	\$ 1,872.00
		<b>Subtotal</b>	<b>\$ 8,040.00</b>

**Air Quality and Noise Mitigation Monitoring and Documentation**

Staff Engineer/Geologist/Environmental Scientist	600 hours	@ \$ 126.00 /hour	\$ 75,600.00
Field Vehicle and Equipment Usage	600 hours	@ \$ 10.00 /hour	\$ 6,000.00
Dust Monitoring Equipment Rental	12 weeks	@ \$ 1,350.00 /week	\$ 16,200.00
Noise Monitoring Equipment Rental	12 weeks	@ \$ 450.00 /week	\$ 5,400.00
		<b>Subtotal</b>	<b>\$ 97,800.00</b>

<b>TOTAL ESTIMATED FEE</b>			<b>\$ 105,840.00</b>
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<b>Table 2 - Breakdown of Estimated Fee - Asbestos Abatement Monitoring (Three Shifts)</b>				
<b>Project Management</b>				
Senior Engineer/Geologist/Environmental Scientist	4 hours	@	\$ 168.00 /hour	\$ 672.00
			<b>Subtotal</b>	<b>\$ 672.00</b>
<b>Field Services (Asbestos Abatement Monitoring)</b>				
Staff Engineer/Geologist/Environmental Scientist	30 hours	@	\$ 126.00 /hour	\$ 3,780.00
Field Vehicle and Equipment Usage	30 hours	@	\$ 10.00 /hour	\$ 300.00
			<b>Subtotal</b>	<b>\$ 4,452.00</b>
<b>Laboratory Services</b>				
PCM Asbestos Analysis (48 hour turnaround)	12 tests	@	\$7.50 /test	\$ 90.00
PCM Asbestos Analysis (6 hour turnaround)	6 tests	@	\$11.00 /test	\$ 66.00
			<b>Subtotal</b>	<b>\$ 156.00</b>
<b>Closeout Reporting</b>				
Principal Engineer/Geologist/Environmental Scientist	1 hour	@	\$ 178.00 /hour	\$ 178.00
Senior Engineer/Geologist/Environmental Scientist	4 hours	@	\$ 168.00 /hour	\$ 672.00
Staff Engineer/Geologist/Environmental Scientist	12 hours	@	\$ 126.00 /hour	\$ 1,512.00
Data Processing, Technical Editing, or Reproduction	4 hours	@	\$ 73.00 /hour	\$ 292.00
			<b>Subtotal</b>	<b>\$ 2,654.00</b>
<b>TOTAL ESTIMATED FEE</b>				<b>\$ 7,934.00</b>

**Table 3 - Breakdown of Estimated Fee - Asbestos and Lead Survey****Project Management**

Senior Engineer/Geologist/Environmental Scientist	3 hours	@ \$ 168.00 /hour	\$ 504.00
		<b>Subtotal</b>	<b>\$ 504.00</b>

**Field Survey and Laboratory Analysis**

Staff Engineer/Geologist/Environmental Scientist	18 hours	@ \$ 126.00 /hour	\$ 2,268.00
Field Vehicle and Equipment Usage	9 hours	@ \$ 10.00 /hour	\$ 90.00
XRF Daily Usage Fee	1 day	@ \$300.00 /day	\$ 300.00
PLM Bulk Asbestos Samples	40 tests	@ \$ 11.00 /test	\$ 440.00
		<b>Subtotal</b>	<b>\$ 3,098.00</b>

**Survey Report**

Principal Engineer/Geologist/Environmental Scientist	1 hour	@ \$ 178.00 /hour	\$ 178.00
Senior Engineer/Geologist/Environmental Scientist	2 hours	@ \$ 168.00 /hour	\$ 336.00
Staff Engineer/Geologist/Environmental Scientist	12 hours	@ \$ 126.00 /hour	\$ 1,512.00
Technical Illustrator/CAD Operator	2 hours	@ \$ 92.00 /hour	\$ 184.00
Data Processing, Technical Editing, or Reproduction	2 hours	@ \$ 73.00 /hour	\$ 146.00
		<b>Subtotal</b>	<b>\$ 2,356.00</b>

<b>TOTAL ESTIMATED FEE</b>			<b>\$ 5,958.00</b>
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**Table 4 - Breakdown of Fee - Underground Piping Asbestos Survey and SCAQMD Procedure 5 Preparation**

**Project Management and Asbestos Field Survey/Associated Letter Report**

Principal Engineer/Geologist/Environmental Scientist	2 hours @ \$ 178.00 /hour	\$ 356.00
Senior Engineer/Geologist/Environmental Scientist	4 hours @ \$ 168.00 /hour	\$ 672.00
Staff Engineer/Geologist/Environmental Scientist	10 hours @ \$ 126.00 /hour	\$ 1,260.00
Field Vehicle and Equipment Usage	6 hours @ \$ 10.00 /hour	\$ 60.00
PLM Asbestos Analysis - 24 hour turnaround	6 tests @ \$ 11.00 /test	\$ 66.00
Technical Illustrator/CAD Operator	2 hours @ \$ 92.00 /hour	\$ 184.00
Data Processing, Technical Editing, or Reproduction	2 hours @ \$ 73.00 /hour	\$ 146.00
	<b>Subtotal</b>	<b>\$ 2,744.00</b>

**SCAQMD Procedure 5 Plan**

Principal Engineer/Geologist/Environmental Scientist	1 hour @ \$ 178.00 /hour	\$ 178.00
Senior Engineer/Geologist/Environmental Scientist	8 hours @ \$ 168.00 /hour	\$ 1,344.00
Staff Engineer/Geologist/Environmental Scientist	4 hours @ \$ 126.00 /hour	\$ 504.00
Technical Illustrator/CAD Operator	2 hours @ \$ 92.00 /hour	\$ 184.00
Data Processing, Technical Editing, or Reproduction	4 hours @ \$ 73.00 /hour	\$ 292.00
	<b>Subtotal</b>	<b>\$ 2,026.00</b>

**TOTAL ESTIMATED FEE**

**\$ 4,770.00**

**Table 5 - Breakdown of Estimated Fee****Field Services**

Senior Project Engineer/Geologist/Environmental Scientist	24 hours	@ \$ 173.00 /hour	\$ 4,152.00
Field Technician - Structure Pad Preparation	360 hours	@ \$ 98.00 /hour	\$ 35,280.00
Field Technician - Trench, Wall and Structure Backfill	240 hours	@ \$ 98.00 /day	\$ 23,520.00
Field Technician - Subgrade, Aggregate Base and AC	80 hours	@ \$ 98.00 /hour	\$ 7,840.00
ACI Field Technician - Concrete and Grout Sampling	320 hours	@ \$ 98.00 /hour	\$ 31,360.00
Specialty Inspector - Concrete and masonry	520 hours	@ \$ 104.00 /hour	\$ 54,080.00
Specialty Inspector - Welding and Bolting	80 hours	@ \$ 104.00 /day	\$ 8,320.00
Anchor Bolt testing Technician w/Equipment	12 hours	@ \$ 190.00 /hour	\$ 2,280.00
Geotechnical Assistant - Sample Pick-up	80 hours	@ \$ 81.00 /hour	\$ 6,480.00
Field Vehicle Usage	1716 hours	@ \$ 15.00 /hour	\$ 25,740.00
		<b>Subtotal</b>	<b>\$ 199,052.00</b>

**Laboratory Testing**

Proctor Density	6 tests	@ \$ 220.00 /test	\$ 1,320.00
Sieve Analysis	10 tests	@ \$ 145.00 /test	\$ 1,450.00
Sand Equivalent	6 tests	@ \$ 125.00 /test	\$ 750.00
R-Value	2 tests	@ \$ 375.00 /test	\$ 750.00
Ashalt Concrete Extraction and Gradation	1 test	@ \$ 250.00 /test	\$ 250.00
Ashalt Concrete Maximum Density	1 test	@ \$ 225.00 /test	\$ 225.00
Compression Test, Masonry Composite Prisms	3 tests	@ \$ 120.00 /test	\$ 360.00
Compression Test, Mortar and Grout	48 tests	@ \$ 35.00 /test	\$ 1,680.00
Compression Test, 6x12 Cylinder C 39	320 tests	@ \$ 35.00 /test	\$ 11,200.00
		<b>Subtotal</b>	<b>\$ 17,985.00</b>

**Project Coordination and Technical Support**

Principal Engineer/Geologist/Environmental Scientist	12 hours	@ \$ 188.00 /hour	\$ 2,256.00
Senior Project Engineer/Geologist/Environmental Scientist	100 hours	@ \$ 173.00 /hour	\$ 17,300.00
		<b>Subtotal</b>	<b>\$ 19,556.00</b>

**Report Preparation**

Principal Engineer/Geologist/Environmental Scientist	4 hours	@ \$ 188.00 /hour	\$ 752.00
Senior Project Engineer/Geologist/Environmental Scientist	12 hours	@ \$ 173.00 /hour	\$ 2,076.00
Technical Illustrator	6 hours	@ \$ 98.00 /hour	\$ 588.00
Data Processing, Technical Editing, or Reproduction	4 hours	@ \$ 71.00 /hour	\$ 284.00
		<b>Subtotal</b>	<b>\$ 3,700.00</b>

**TOTAL ESTIMATED FEE****\$ 240,293.00**

## Schedule of Fees

### Hourly Charges for Personnel

#### Professional Staff

Principal Engineer/Geologist/Environmental Scientist/Certified Industrial Hygienist .....	\$ 188
Senior Engineer/Geologist/Environmental Scientist .....	\$ 178
Senior Project Engineer/Geologist/Environmental Scientist .....	\$ 173
Project Engineer/Geologist/Environmental Scientist .....	\$ 165
Senior Staff Engineer/Geologist/Environmental Scientist .....	\$ 150
Staff Engineer/Geologist/Environmental Scientist .....	\$ 134
GIS Analyst .....	\$ 123
Technical Illustrator/CAD Operator .....	\$ 98

#### Field Staff

Certified Asbestos/Lead Technician .....	\$ 173
Field Operations Manager .....	\$ 119
Nondestructive Examination Technician (UT, MT, LP) .....	\$ 114
Supervisory Technician .....	\$ 104
Special Inspector (Concrete, Masonry, Structural Steel, Welding, and Fireproofing) .....	\$ 104
Senior Technician .....	\$ 103
Technician .....	\$ 98

#### Administrative Staff

Information Specialist .....	\$ 83
Geotechnical/Environmental/Laboratory Assistant .....	\$ 81
Data Processor .....	\$ 71

### Other Charges

Concrete Coring Equipment (includes technician) .....	\$ 190/hr
Anchor Load Test Equipment (includes technician) .....	\$ 190/hr
GPR Equipment .....	\$ 180/hr
Inclinometer .....	\$ 100/hr
Hand Auger Equipment .....	\$ 80/hr
Rebar Locator (Pachometer) .....	\$ 25/hr
Vapor Emission Kit .....	\$ 65/kit
Nuclear Density Gauge .....	\$ 12/hr
X-Ray Fluorescence .....	\$ 70/hr
PID/FID .....	\$ 25/hr
Air Sampling Pump .....	\$ 10/hr
Field Vehicle .....	\$ 15/hr
Expert Witness Testimony .....	\$ 450/hr
Direct Expenses .....	Cost plus 15 %
Special equipment charges will be provided upon request.	

### Notes

For field and laboratory technicians and special inspectors, overtime rates at 1.5 times the regular rates will be charged for work performed in excess of 8 hours in one day Monday through Friday and all day on Saturday. Rates at twice the regular rates will be charged for all work in excess of 12 hours in one day, all day Sunday and on holidays.

Field technician and special inspection hours are charged at a 4-hour minimum, and 8-hour minimum for hours exceeding 4 hours.

Invoices are payable upon receipt. A service charge of 1.5 percent per month may be charged on accounts not paid within 30 days.

Our rates will be adjusted in conjunction with the increase in the Prevailing Wage Determination during the life of the project, as applicable.

The terms and conditions are included in Ninyo & Moore's Work Authorization and Agreement form.



## Schedule of Fees for Laboratory Testing

### SOILS

Atterberg Limits, D 4318, CT 204	\$ 170
California Bearing Ratio (CBR), D 1883	\$ 550
Chloride and Sulfate Content, CT 417 & CT 422	\$ 175
Consolidation, D 2435, CT 219	\$ 300
Consolidation, Hydro-Collapse only, D 2435	\$ 150
Consolidation – Time Rate, D 2435, CT 219	\$ 200
Direct Shear – Remolded, D 3080	\$ 350
Direct Shear – Undisturbed, D 3080	\$ 300
Durability Index, CT 229	\$ 175
Expansion Index, D 4829, IBC 18-3	\$ 190
Expansion Potential (Method A), D 4546	\$ 170
Geofabric Tensile and Elongation Test, D 4632	\$ 200
Hydraulic Conductivity, D 5084	\$ 350
Hydrometer Analysis, D 422, CT 203	\$ 220
Moisture, Ash, & Organic Matter of Peat/Organic Soils	\$ 120
Moisture Only, D 2216, CT 226	\$ 35
Moisture and Density, D 2937	\$ 45
Permeability, CH, D 2434, CT 220	\$ 300
pH and Resistivity, CT 643	\$ 175
Proctor Density D1557, D 698, CT 216, AASHTO T-180	\$ 220
Proctor Density with Rock Correction D 1557	\$ 340
R-value, D 2844, CT 301	\$ 375
Sand Equivalent, D 2419, CT 217	\$ 125
Sieve Analysis, D 422, CT 202	\$ 145
Sieve Analysis, 200 Wash, D 1140, CT 202	\$ 100
Specific Gravity, D 854	\$ 125
Thermal Resistivity (ASTM 5334, IEEE 442)	\$ 925
Triaxial Shear, C.D, D 4767, T 297	\$ 550
Triaxial Shear, C.U., w/pore pressure, D 4767, T 2297 per pt	\$ 450
Triaxial Shear, C.U., w/o pore pressure, D 4767, T 2297 per pt	\$ 350
Triaxial Shear, U.U., D 2850	\$ 250
Unconfined Compression, D 2166, T 208	\$ 180

### MASONRY

Brick Absorption, 24-hour submersion, 5-hr boiling, 7-day, C 67	\$ 70
Brick Compression Test, C 67	\$ 55
Brick Efflorescence, C 67	\$ 55
Brick Modulus of Rupture, C 67	\$ 50
Brick Moisture as received, C 67	\$ 45
Brick Saturation Coefficient, C 67	\$ 60
Concrete Block Compression Test, 8x8x16, C 140	\$ 70
Concrete Block Conformance Package, C 90	\$ 500
Concrete Block Linear Shrinkage, C 426	\$ 200
Concrete Block Unit Weight and Absorption, C 140	\$ 70
Cores, Compression or Shear Bond, CA Code	\$ 70
Masonry Grout, 3x3x6 prism compression, C 39	\$ 45
Masonry Mortar, 2x4 cylinder compression, C 109	\$ 35
Masonry Prism, half size, compression, C 1019	\$ 120
Masonry Prism, Full size, compression, C 1019	\$ 200

### REINFORCING AND STRUCTURAL STEEL

Chemical Analysis, A 36, A 615	\$ 135
Fireproofing Density Test, UBC 7-6	\$ 90
Hardness Test, Rockwell, A 370	\$ 80
High Strength Bolt, Nut & Washer Conformance, per assembly, A 325	\$ 150
Mechanically Spliced Reinforcing Tensile Test, ACI	\$ 175
Pre-Stress Strand (7 wire), A 416	\$ 170
Reinforcing Tensile or Bend up to No. 11, A 615 & A 706	\$ 75
Structural Steel Tensile Test: Up to 200,000 lbs., A 370	\$ 90
Welded Reinforcing Tensile Test: Up to No. 11 bars, ACI	\$ 80

### CONCRETE

Compression Tests, 6x12 Cylinder, C 39	\$ 35
Concrete Mix Design Review, Job Spec	\$ 300
Concrete Mix Design, per Trial Batch, 6 cylinder, ACI	\$ 850
Concrete Cores, Compression (excludes sampling), C 42	\$ 120
Drying Shrinkage, C 157	\$ 400
Flexural Test, C 78	\$ 85
Flexural Test, C 293	\$ 85
Flexural Test, CT 523	\$ 95
Gunite/Shotcrete, Panels, 3 cut cores per panel and test, ACI	\$ 275
Lightweight Concrete Fill, Compression, C 495	\$ 80
Petrographic Analysis, C 856	\$ 2,000
Restrained Expansion of Shrinkage Compensation	\$ 450
Splitting Tensile Strength, C 496	\$ 100
3x6 Grout, (CLSM), C 39	\$ 55
2x2x2 Non-Shrink Grout, C 109	\$ 55

### ASPHALT

Air Voids, T 269	\$ 85
Asphalt Mix Design, Caltrans (incl. Aggregate Quality)	\$ 4,500
Asphalt Mix Design Review, Job Spec	\$ 180
Dust Proportioning, CT LP-4	\$ 85
Extraction, % Asphalt, including Gradation, D 2172, CT 382	\$ 250
Extraction, % Asphalt without Gradation, D 2172, CT 382	\$ 150
Film Stripping, CT 302	\$ 120
Hveem Stability and Unit Weight D 1560, T 246, CT 366	\$ 225
Marshall Stability, Flow and Unit Weight, T 245	\$ 240
Maximum Theoretical Unit Weight, D 2041, CT 309	\$ 150
Moisture Content, CT 370	\$ 95
Moisture Susceptibility and Tensile Stress Ratio, T 238, CT 371	\$ 1,000
Slurry Wet Track Abrasion, D 3910	\$ 150
Superpave, Asphalt Mix Verification (incl. Aggregate Quality)	\$ 4,900
Superpave, Gyrotory Unit Wt., T 312	\$ 100
Superpave, Hamburg Wheel, 20,000 passes, T 324	\$ 1,000
Unit Weight sample or core, D 2726, CT 308	\$ 100
Voids in Mineral Aggregate, (VMA) CT LP-2	\$ 90
Voids filled with Asphalt, (VFA) CT LP-3	\$ 90
Wax Density, D 1188	\$ 140

### AGGREGATES

Clay Lumps and Friable Particles, C 142	\$ 180
Cleaness Value, CT 227	\$ 180
Crushed Particles, CT 205	\$ 175
Durability, Coarse or Fine, CT 229	\$ 205
Fine Aggregate Angularity, ASTM C 1252, T 304, CT 234	\$ 180
Flat and Elongated Particle, D 4791	\$ 220
Lightweight Particles, C 123	\$ 180
Los Angeles Abrasion, C 131 or C 535	\$ 200
Material Finer than No. 200 Sieve by Washing, C 117	\$ 90
Organic Impurities, C 40	\$ 90
Potential Alkali Reactivity, Mortar Bar Method, Coarse, C 1260	\$ 1,250
Potential Alkali Reactivity, Mortar Bar Method, Fine, C 1260	\$ 950
Potential Reactivity of Aggregate (Chemical Method), C 289	\$ 475
Sand Equivalent, T 176, CT 217	\$ 125
Sieve Analysis, Coarse Aggregate, T 27, C 136	\$ 120
Sieve Analysis, Fine Aggregate (including wash), T 27, C 136	\$ 145
Sodium Sulfate Soundness, C 88	\$ 450
Specific Gravity and Absorption, Coarse, C 127, CT 206	\$ 115
Specific Gravity and Absorption, Fine, C 128, CT 207	\$ 175

### ROOFING

Roofing Tile Absorption, (set of 5), C 67	\$ 250
Roofing Tile Strength Test, (set of 5), C 67	\$ 250

Special preparation of standard test specimens will be charged at the technician's hourly rate.

Ninyo & Moore is accredited to perform the AASHTO equivalent of many ASTM test procedures.



July 21, 2020

Mark Butier  
Butier Construction Managers & Consulting Engineers  
17822 E. 17<sup>th</sup> St., Suite 404  
Tustin, CA 92780  
[jrbutier@butier.com](mailto:jrbutier@butier.com)

Regarding: Revised Proposal P20-042r1 for Construction Vibration Monitoring at Peck Reservoir

Dear Mr. Butier:

GEOVision Geophysical Services is pleased to present this revised proposal for construction vibration monitoring services at the Peck Reservoir Replacement Project in Manhattan Beach. We have reviewed the project documentation and visited the site with you on July 15. The environmental documents for this project (MND and MMRP) and the construction contract documents are silent on the issue of vibrations. Yet there are houses on three sides of the project, with the two on the east side less than 20 feet from the site boundary. Based on our experience, we expect that vibrations from the project will be strongly perceptible by nearby residents and may affect the homes themselves. Of primary concern for vibrations are pile driving for shoring, heavy demolition of the concrete reservoir, and earthworks near the site boundaries. We recommend that vibration monitoring and mitigation be part of the project scope and integrated with public relations, construction management, and risk mitigation.

GEOVision Geophysical Services has considerable experience with construction vibration measurements and related structural monitoring. The attached Application Note summarizes our approach. We have direct experience with vibration monitoring and mitigation for urban heavy construction. We also have experience working directly with Butier on urban water projects.

This letter proposal details our recommended scope of work and a revised cost estimate for vibration monitoring during the Peck Reservoir Replacement Project.

**SCOPE OF WORK**

We will plan and execute a vibration monitoring program that addresses public relations, risk mitigation, and construction activity control. Specific tasks are:

*Task 1: Pre-Construction Survey*

It is important to document the structural and nonstructural condition of the nearby residences prior to the start of demolition. We anticipate that 15 homes will need documentation. A photographic

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survey led by an experienced and California-registered Civil Engineer is the core activity. A brief report with a digital photo archive is the product of this task.

*Task 2: Vibration Monitoring Program Development*

We will develop vibration monitoring recommendations from the results of Task 1 and a review of the contractor's timeline and methods. This will include recommendations for vibration criteria, vibration monitoring, vibration alerting, and vibration mitigation. The task deliverable is formal structural monitoring program document, to be reviewed and approved by you and appropriate City staff and consultants.

*Task 3: Vibration Monitoring*

**GEOVision** will install, operate, and maintain appropriate construction vibration monitoring stations to measure peak particle velocity (PPV) at locations specified in the Vibration Monitoring Program. These will include a seismograph, sensor, visual alarms if needed, and the capability to automatically send email and text notifications via cellular data if warning and regulatory thresholds are exceeded. Calibrated InstanTel MicroMate seismographs will be used. These seismographs have the capability to record both a continuous PPV a from at least 1 Hz to 100 Hz. Below is an example installation, (located in downtown Los Angeles next to an historic building).



**Figure 1: GEOVision vibration monitoring system at a DTLA site. Includes cellular remote email alarm and warning strobe.**

Tentatively, two fixed stations will be installed in or near residences and two stations will rove with the construction activities. The seismographs will be programmed to monitor continuously on three axes, recording PPV at 1-second intervals continuously and sending out alarms if vibrations exceed the specified threshold. GEOVision will visit the site every two weeks to

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perform maintenance, change batteries (if AC power is not available), and collect vibration data.

*Task 4: Public Relations, Reporting and Meetings*

Our senior engineer Dr. Robert Nigbor PE will supervise this vibration monitoring effort. He will be available for various meeting of the construction team and their City client as required. Dr. Nigbor can also participate in public or private meetings with the community.

Monthly reports summarizing the monitoring program will be provided per the Task 2 monitoring plan. Should there be alarms, we will be on call to assess the vibration data and to advise the construction team on the required response to this condition.

**SCHEDULE**

Per our discussions, we understand that initial work on water connections starting in September 2020 will include excavation and soldier pile installation for shoring. Demolition of the existing reservoir will then begin, leading to excavation and earthworks. This should take 6 months. We expect that the need for construction vibration monitoring will wane after the earthworks are completed. Tasks 1 and 2 should be completed before the initial work begins. Dr. Nigbor will participate in the construction team to integrate vibration monitoring and mitigation into the construction activities.

**FEES**

Our revised cost estimate for the four tasks is given in the table below. Our estimated total is based on a 6-month monitoring period. Please note that this is an estimate, based on assumptions that might change when the Monitoring Plan is developed and reviewed by you and the City.

**TERMS**

Our Standard Terms are attached. We require your signature on these terms, a written PO or letter of authorization referencing this proposal before proceeding.

GEOVision appreciates the opportunity to be of service. Please feel free to call on us if you have any questions.

Sincerely,



John Diehl  
President

1124 Olympic Drive, Corona, CA 92881 (951) 549-1234 fax (951) 549-1236  
[www.geovision.com](http://www.geovision.com)

## GEOVision Cost Summary Table

Peck Reservoir Replacement Project Vibration Monitoring					
TASK	DESCRIPTION	UNIT	QTY	UNIT COST	EXT COST
<b>1</b>	<b>PRECONSTRUCTION SURVEY OF ADJACENT RESIDENCES</b>				
1.1	Document existing conditions of an estimated 15 houses. Photographic and video photographic documentation of accessible and visible areas on the exterior and select interior elevations. Deliverable is brief report plus a digital photo archive.	Lot	15	\$ 1,400.00	\$ 21,000.00
	<b>TOTAL TASK 1</b>				<b>\$ 21,000.00</b>
<b>2</b>	<b>MONITORING PROGRAM DEVELOPMENT</b>				
2.1	Develop recommendations for vibration criteria and monitoring. Submit formal written monitoring plan for review by the construction team and the City. To be done after the Task 1 preconstruction survey. Stamped by Civil PE.	Lot	1	\$ 6,100.00	\$ 6,100.00
	<b>TOTAL TASK 2</b>				<b>\$ 6,100.00</b>
<b>3</b>	<b>CONSTRUCTION VIBRATION MONITORING</b>				
3.1	Construction vibration monitoring with 4 stations. Includes monitoring station equipment, remote checks, biweekly on-site maintenance, email alarm system operation, on-call alarm assistance, data management, and monthly vibration reports. Supervision and review by Civil PE.	Months	6	\$ 9,600.00	\$ 57,600.00
	<b>TOTAL TASK 3</b>				<b>\$ 57,600.00</b>
<b>4</b>	<b>ADDITIONAL ITEMS</b>				
4.1	Meetings, additional reporting or analysis, public relations; Senior Engineer Dr. Nigbor	hour	60	\$ 175.00	\$ 10,500.00
4.2	Emergency site visit (e.g. moving or replacing a station), minimum 4 hours. Includes technician labor, vehicle & equipment	hour	20	\$ 150.00	\$ 3,000.00
<b>ESTIMATED PROJECT TOTAL</b>					<b>\$ 98,200.00</b>

Note: Values in red are estimated

**EXHIBIT C**  
**TERMS FOR COMPLIANCE WITH CALIFORNIA LABOR LAWS**  
**REQUIREMENTS**

1. This Agreement calls for services that, in whole or in part, constitute “public works” as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code (“Chapter 1”). Further, Contractor acknowledges that this Agreement is subject to (a) Chapter 1 and (b) the rules and regulations established by the Department of Industrial Relations (“DIR”) implementing such statutes. Therefore, as to those Services that are “public works”, Contractor shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.

2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 above.

3. Contractor shall be registered with the Department of Industrial Relations in accordance with California Labor Code Section 1725.5, and has provided proof of registration to City prior to the Effective Date of this Agreement. Contractor shall not perform work with any subcontractor that is not registered with DIR pursuant to Section 1725.5. Contractor and subcontractors shall maintain their registration with the DIR in effect throughout the duration of this Agreement. If the Contractor or any subcontractor ceases to be registered with DIR at any time during the duration of the project, Contractor shall immediately notify City.

4. Pursuant to Labor Code Section 1771.4, Contractor’s Services are subject to compliance monitoring and enforcement by DIR. Contractor shall post job site notices, as prescribed by DIR regulations.

5. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Contractor shall post such rates at each job site covered by this Agreement.

6. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to City, forfeit \$200.00 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the

work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

7. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform City of the location of the records. Pursuant to Labor Code Section 1771.4, Contractor and each subcontractor shall furnish such records to the Labor Commissioner, at least monthly, in the form specified by the Labor Commissioner.

8. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Administrative Code Title 8, Section 200 et seq. concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within 60 days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to City a verified statement of the journeyman and apprentice hours performed under this Agreement.

9. The Contractor shall not perform Work with any Subcontractor that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. The Contractor and Subcontractors shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. If the Contractor or any subcontractor becomes debarred or suspended during the duration of the project, the Contractor shall immediately notify City.

10. Contractor acknowledges that eight hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to City, forfeit \$25.00 for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of eight hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in

excess of eight hours per day at not less than one and one-half times the basic rate of pay.

11. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

12. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor’s compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Contractor shall include in the written contract between it and each subcontractor a copy of those statutory provisions and a requirement that each subcontractor shall comply with those statutory provisions. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor’s compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any failure.

13. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless and defend (at Contractor’s expense with counsel reasonably acceptable to City) City, its officials, officers, employees, agents and independent contractors serving in the role of City officials, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed above by any person or entity (including Contractor, its subcontractors, and each of their officials, officers, employees and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys’ fees, and other related costs and expenses. All duties of Contractor under this Section shall survive the termination of the Agreement.



AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES  
AGREEMENT BETWEEN  
THE CITY OF MANHATTAN BEACH AND BUTIER ENGINEERING, INC.

This First Amendment (“Amendment No. 1”) to that certain agreement by and between the City of Manhattan Beach, a California municipal corporation (“City”) and Butier Engineering, Inc., a California corporation, (“Consultant”) (collectively, the “Parties”) is hereby made effective as of the date of the last authorized representative signature below (“Effective Date”).

RECITALS

A. On August 18, 2020, the City and Consultant entered into an agreement for professional services for the Consultant to provide construction management and inspection services for the 8MG Peck Reservoir Replacement Project (the “Agreement”).

B. The Parties now desire to amend the Agreement to increase the maximum compensation to be paid to Consultant (the “Maximum Compensation”) and modify the fee schedule to account for additional construction management and inspection services during the extended duration of the project.

NOW, THEREFORE, in consideration of the Parties’ performance of the promises, covenants, and conditions stated herein, the Parties hereby agree as follows:

Section 1. Section 3.A of the Agreement is hereby revised to increase the Maximum Compensation amount by \$321,301 for a new Maximum Compensation of \$2,876,530.

Section 2. Exhibit B (Approved Fee Schedule) of the Agreement is hereby amended to include the attached Exhibit A of this Amendment No. 1.

Section 3. Except as specifically amended by this Amendment No. 1, all other provisions of the Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS THEREOF, the Parties hereto have executed this Amendment No. 1 on the day and year of the last authorized representative signature shown below.

The Parties, through their duly authorized representatives are signing this Amendment No. 1 on the date stated in the introductory clause.

City:

Consultant:

City of Manhattan Beach,  
a California municipal corporation

Butier Engineering, Inc.  
a California corporation

DocuSigned by:  
Bruce Moe 8/29/2022  
By: D1A13C58864A441...  
Name: Bruce Moe  
Title: City Manager

DocuSigned by:  
Mark M. Butier Jr 8/17/2022  
By: 89AEEDF2EEDD4EC...  
Name: Mark M. Butier Jr.  
Title: President/ CFO

ATTEST:

DocuSigned by:  
Liza Tamura 8/29/2022  
By: 975D2FFB9D8446B...  
Name: Liza Tamura  
Title: City Clerk

APPROVED AS TO FORM:

DocuSigned by:  
Quinn Barrow, City Attorney 8/29/2022  
By: C24C6E263545445...  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

DocuSigned by:  
Steve Charelian, Finance Director 8/26/2022  
By: 3801E6D7B4124E9...  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

DocuSigned by:  
Erick Lee 8/25/2022  
By: 8FDAAFB234CA492...  
Name: Erick Lee  
Title: Public Works Director

**Exhibit A**

July 14, 2022  
City of Manhattan Beach  
Department of Public Works  
Office of the City Engineer  
3621 Bell Avenue  
Manhattan Beach, CA 90266

**Attn: Gilbert Gamboa, P.E., City Project Manager**

Subject: Amendment No. 1 — CM&I, Materials and Geotechnical,  
Additional Specialty Consulting Services for the 8 MG Peck Reservoir  
Replacement Project

Dear Mr. Gamboa:

Butier Engineering, Inc. (Butier) is respectfully requesting an additional **\$321,300.70** to complete our contract scope of work through project completion. The additional costs are attributable to varied project delays and City of Manhattan Beach directives for additional consulting services.

The original budget presented in June 2020 was developed based on a contract duration of 18 months. The City of Manhattan Beach is fully aware of the major issues that have extended the project completion date. The key issues are the following: procurement interruptions, SCE approval delays, interruption of critical path material deliveries (concrete) and owner requested changes. Butier has made every effort to mitigate the impact to the Construction Management budget as a consequence of the schedule challenges. The additional costs are as follows:

**CM&I Services Butier Engineering, Inc.**

Butier's June 2020 budget was developed based on a contract duration of 18 months represented in the original RFP. Butier staff indicated that 18-month schedule was "aggressive" from the outset of the project. Additionally, City staff is fully aware of the issues that have extended the project final completion date. Butier has made every effort to mitigate the impact to the Construction Management budget as a consequence of the schedule challenges. Project staffing will be reduced as the we reach substantial completion. Based on the most recent baseline schedule update, we foresee the need additional hours to provide Start-Up and Testing Coordination and Project Close-Out activities.

<b>Senior Construction Manager:</b>	<b>80 Hrs. @ \$220.00</b>	<b>17,600.00</b>
<b>Senior QA/QC:</b>	<b>40 Hrs. @ \$155.00</b>	<b>12,400.00</b>
<b>Field Engineer:</b>	<b>40 Hrs. @ \$160.00</b>	<b>6,400.00</b>

**Butier Engineering** **\$36,400.00**

**Additional Services per City of Manhattan Beach:**

The City has directed Butier to add **Sandy Pringle Associates and MTGL** to the Butier team. SPA will be utilized to meet the demands for Inspection on the MS Field Lighting project. SPA services will satisfy the Department of the State Architect requirements for the Manhattan Beach Unified School District. In addition, MTGL will be engaged on the BEGG Sports Field Lighting Improvements to perform Materials Testing and Specialty Inspection. (Please see attached scope)

<b>Sandy Pringle Associates, Inc.</b>	<b>\$17,460.00</b>
<b>MTGL:</b>	<b>\$24,098.72</b>
<b>with 5% Mark-Up</b>	<b><u>\$43,636.65</u></b>

**Current Subconsultants**

**Ninyo and Moore: Specialty Inspection, Materials and Geotechnical**

N&M work scope and budgeted hours were impacted due to the extended period of performance, changes in project sequencing on the primary reservoir and the offsite pipeline and additional materials testing demands. We are projecting an additional \$231,000 thorough project completion. (Please attached scope)

<b>Ninyo &amp; Moore:</b>	<b><u>\$231,000.00</u></b>
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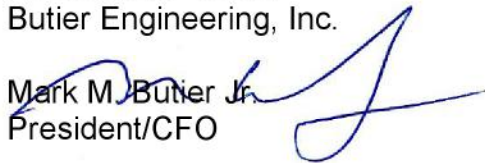
**Geovision: Vibration Monitoring**

Geovision's additional costs are due to the extended period of performance.

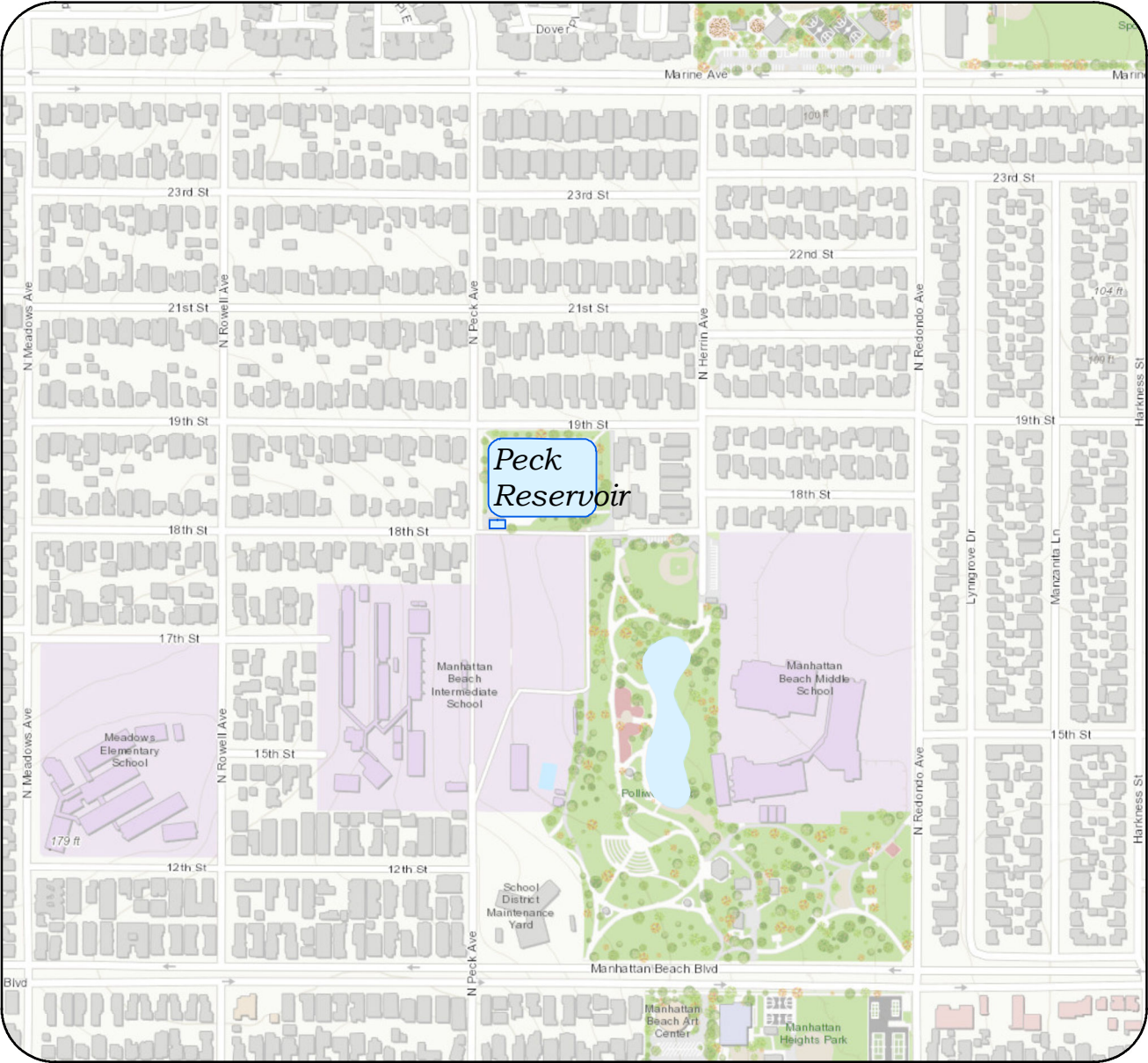
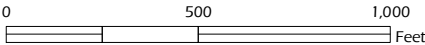
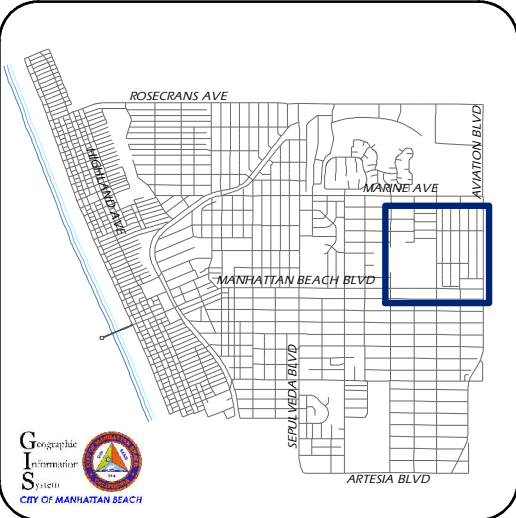
<b>Geovision:</b>	<b>\$ 9,775.00</b>
<b>with 5% Mark-Up</b>	<b><u>\$ 10,263.75</u></b>

We appreciate the opportunity to continue meet the City's project challenges. If you have any questions regarding our proposal, please contact me for clarification at (714) 832-7222 or jrbutier@butier.com.

Respectfully Yours,  
Butier Engineering, Inc.

  
 Mark M. Butier Jr.  
 President/CFO

# City of Manhattan Beach Peck Reservoir







**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director  
Anna Luke-Jones, Senior Management Analyst

**SUBJECT:**

Consideration of a Resolution Approving an Agreement with HF&H Consultants, LLC to Perform Up to Five Biennial Compliance Audits on the City's Franchise Agreement with Waste Management During the Agreement Term and Appropriate \$100,000 in Mostly-Reimbursable Funds from the General Fund (Public Works Director Lee).

- A) ADOPT RESOLUTION NO. 23-0008**
  - B) APPROPRIATE FUNDS**
- 

**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 23-0008 approving an agreement with HF&H Consultants, LLC to perform up to five biennial compliance audits on the City's franchise agreement with Waste Management and appropriating \$100,000 from the General Fund.

**FISCAL IMPLICATIONS:**

The first audit under the proposed agreement with HF&H Consultants, LLC is scheduled to be performed during the current fiscal year and will cost the City \$80,000 with a contingency of \$20,000 to cover any additional requests made by the City outside the scope of work. The cost of subsequent audits will be determined in future years.

Under the current franchise agreement, Waste Management will reimburse the City for the cost of the first audit up to \$80,000. Waste Management will also reimburse each biennial audit thereafter up to a maximum of \$50,000, escalated according to the Consumer Price Index (CPI) from the base year of 2020.

An appropriation of \$100,000 from the available unreserved General Fund balance is required

to establish the first audit and its contingency within the budget. General Fund revenues will be adjusted by \$80,000 to include the reimbursement from Waste Management into the budget.

**BACKGROUND:**

The City awarded an agreement to Waste Management for integrated solid waste management services in August 2019. Services under this agreement began on July 1, 2020. The current agreement is a seven-year term with three one-year optional extensions. If all extension years are utilized, the agreement would expire on June 30, 2030.

**DISCUSSION:**

The proposed agreement with HF&H Consultants, LLC is to perform four biennial compliance audits on the City's franchise agreement with Waste Management, with an option for a fifth compliance audit in the event that the City exercises an extension of the franchise agreement. Section 7.2.6 of the franchise agreement with Waste Management lays out the scope and costs of audits. The agreement states that the scope of these audits are limited to compliance with terms of the agreement, customer service levels and billing, fee payments, gross receipts, tonnage, calculation of Customer Recycling rebates, and verification of Diversion rate. As indicated in the agreement, the first audit will be based on Waste Management's reports and records for the one-year period from the start of the Agreement through June 30, 2021. Subsequent audits will occur in two-year periods ending on June 30 in 2023, 2025, 2027, and 2029.

Under the agreement, the City's selects the auditor and manages the audit, and Waste Management will reimburse the City for these costs. The scope of work is listed in Exhibit A of the agreement. The City is also adding a \$20,000 contingency for each audit to cover any additional requests made by the City outside the scope of work. The contingency is to be paid by the City as it is outside the franchise agreement requirements and will not be reimbursed by Waste Management.

HF&H Consultants, LLC has been competitively and directly sourced as a solid waste consulting firm for the City of Manhattan Beach several times over the last 20 years. They have assisted the City in the solid waste franchise negotiations and bidding processes for the agreements that began in 2001, 2011 and 2020, assisted the Environmental Task Force with solid waste industry knowledge, and assisted with the ordinance establishing the food waste recycling program in 2015. HF&H Consultants, LLC is an industry leader in solid waste consulting and has long-term established knowledge of the Manhattan Beach agreements, programs, and project delivery expectation levels.

**PUBLIC OUTREACH:**

After analysis, staff determined that public outreach was not required for this issue.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.



**LEGAL REVIEW:**

The City Attorney has approved the agreement as to form.

**ATTACHMENTS:**

1. Resolution No. 23-0008
2. Agreement - HF&H Consultants, LLC

RESOLUTION NO. 23-0008

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND HF&H CONSULTANTS, LLC FOR SOLID WASTE FRANCHISE AGREEMENT COMPLIANCE AUDIT SERVICES.

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves the Professional Services Agreement between the City of Manhattan Beach and HF&H Consultants, LLC, dated January 17, 2023.

SECTION 2. The Council hereby directs the City Manager to execute the Agreement on behalf of the City.

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

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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STEVE NAPOLITANO  
Mayor

ATTEST:

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LIZA TAMURA  
City Clerk

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated January 17, 2023 (“Effective Date”) and is between the City of Manhattan Beach, a California municipal corporation (“City”) and HF&H Consultants, LLC, a California limited liability company (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

### RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to provide solid waste franchise agreement compliance audit services.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

#### 1. Consultant’s Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the “Services”) for solid waste franchise agreement compliance audit services, attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be Laith Ezzet, Senior Vice President (the “Consultant Representative”). The Consultant Representative shall directly manage Consultant’s Services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like

Approved for Use 3/1/2021

professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

**2. Term of Agreement.** The term of this Agreement shall be from the Effective Date through December 31, 2028, unless sooner terminated as provided in Section 12 of this Agreement or extended.

**3. Compensation.**

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the rates set forth in the Approved Fee Schedule attached hereto as **Exhibit A**. In no event shall Consultant's compensation exceed the total sum that City is to be reimbursed from its solid waste franchisee pursuant to Section 7.2.6 of the Franchise Agreement for Integrated Solid Waste Management Services dated July 1, 2020, which is incorporated herein by reference, plus an additional \$20,000 for each audit performed under this Agreement (the "Maximum Compensation").

B. Expenses. The amount set forth in paragraph 3.A. above includes reimbursement for all expenditures incurred in the performance of this Agreement.

C. Unauthorized Services and Unanticipated Expenses. City will not pay for any services not specified in the Scope of Services, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services in writing prior to Consultant's performance of those services or incurrence of additional expenses. Any additional services authorized by the City Council, or (where authorized) the City Manager shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the Parties. At the request of the Consultant, the City Council may, in writing, reimburse Consultant for an unanticipated expense at its actual cost. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

**4. Method of Payment.**

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Invoices must be submitted to [ap@manhattanbeach.gov](mailto:ap@manhattanbeach.gov). Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

**5. Independent contractor.** Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

**6. Information and Documents.**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or

other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the Services, surveys, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

**7. Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

**8. Indemnification, Hold Harmless, and Duty to Defend.**

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments,

penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the negligent acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 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. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall 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, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. 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. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

## **9. Insurance.**

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$2,000,000.00 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-



insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages

required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Broader Coverage/Higher Limits. If Consultant maintains broader coverage and/or higher limits than the minimums required above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

L. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

## **10. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**11. Records and Inspections.** Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

## **12. Termination of Agreement.**

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

**13. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

**14. Default.**

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

**15. Notices.** Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and City's regular business hours, or (c) three

Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO CITY:

City of Manhattan Beach  
Attn: Erick Lee, Public Works  
1400 Highland Avenue  
Manhattan Beach, California 90266  
[elee@manhattanbeach.gov](mailto:elee@manhattanbeach.gov)  
[aluke@manhattanbeach.gov](mailto:aluke@manhattanbeach.gov)

TO CONSULTANT:

HF&H Consultants, LLC  
Attn: Laith Ezzet, Senior VP  
2081 Business Center Drive, Ste. 265  
Irvine, CA 92612  
[lezzet@hfh-consultants.com](mailto:lezzet@hfh-consultants.com)

COPY TO CITY ATTORNEY:

City of Manhattan Beach  
Attn: City Attorney  
1400 Highland Avenue  
Manhattan Beach, CA 90266

**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

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

**21. Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

**22. Non-Appropriation of Funds.** Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**23. Exhibits. Exhibit A** constitutes a part of this Agreement and is incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

**24. Entire Agreement and Modification of Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive

statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

**25. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

**26. Word Usage.** Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

**27. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

**28. Business Days.** “Business days” means days Manhattan Beach City Hall is open for business.

**29. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

**30. Attorneys’ Fees.** In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys’ fees, experts’ fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

**31. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**32. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

**33. Corporate Authority.** Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

*[SIGNATURE PAGE FOLLOWS]*

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Manhattan Beach,  
a California municipal corporation

Consultant:

HF&H Consultants, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: Bruce Moe  
Title: City Manager

DocuSigned by:  
*Laith Ezzet*  
By: \_\_\_\_\_  
Name: Laith Ezzet 12/21/2022  
Title: Senior Vice President

ATTEST:

**PROOF OF AUTHORITY TO BIND  
CONTRACTING PARTY REQUIRED**

By: \_\_\_\_\_  
Name: Liza Tamura  
Title: City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

By: \_\_\_\_\_  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

DocuSigned by:  
*Erick Lee*  
By: \_\_\_\_\_  
Name: Erick Lee 12/21/2022  
Title: Public Works Director



**EXHIBIT A**  
**SCOPE OF SERVICES AND APPROVED FEE SCHEDULE**

Exhibit A begins on the next page

# Exhibit A: Scope of Services and Fee Schedule



HF&H CONSULTANTS, LLC

Managing Tomorrow's Resources Today

2081 Business Center Drive, Suite 265  
Irvine, California 92612  
Telephone: 949/251-8628  
www.hfh-consultants.com

Robert D. Hilton, CMC, Emeritus  
John W. Farnkopf, PE  
Laith B. Ezzet, CMC  
Richard J. Simonson, CMC  
Marva M. Sheehan, CPA  
Robert C. Hilton

October 3, 2022

Anna Luke-Jones  
Public Works Senior Management Analyst  
City of Manhattan Beach  
3621 Bell Avenue  
Manhattan Beach, CA 90266

### **Integrated Solid Waste Management Services Agreement Compliance Audit For the Year Ended June 30, 2021**

Dear Anna:

Enclosed please find our scope of work and fee to perform an integrated solid waste management services agreement compliance audit of USA Waste of California, Inc., DBA Waste Management of Los Angeles (WM) in accordance with Section 7.2.6 of the franchise agreement.

We appreciate the opportunity and look forward to assisting the City of Manhattan Beach with this project. If you have any questions about this scope of work, please call Laith at (949) 251-8902 or Lindsey at (949) 251-0231.

Very truly yours,

Laith Ezzet, CMC  
Senior Vice President

Lindsey Lagos, CPA  
Senior Associate

Attachment – Scope of Work

**CITY OF MANHATTAN BEACH  
INTEGRATED SOLID WASTE MANAGEMENT SERVICES CONTRACT COMPLIANCE AUDIT  
SCOPE OF WORK**

**AUDIT OBJECTIVES**

Confirm WM:

- 1) accurately billed customers in accordance with the City's approved rate schedule for the period from July 1, 2020 – June 30, 2021.
- 2) diverted a minimum 50% of hauler-collected waste during calendar year 2021. The franchise agreement includes an option to assess liquidated damages related to diversion efforts under Section 10.4.B.7.
- 3) maintained and provided the City its complaint documentation summary on a monthly basis, as required by Section 4.2.3, for the period from July 1, 2020 – June 30, 2021, and responded to complaints within one business day of receipt. The franchise agreement includes an option to assess liquidated damages related to customer responsiveness under Section 10.4.B.3.
- 4) made quarterly distributions to customers for rebates from sales of recyclable materials for the period from July 1, 2020 – June 30, 2021, if applicable, based on the methodology included in Section 3.2.7.
- 5) accurately remitted the City Recovery Cost fee for the period from July 1, 2020 – June 30, 2021, to the City prior to July 1, 2021.
- 6) reported commercial customer participation data related to MCR and MORE programs in its 2021 annual report, in line with Section 7.3.4.

**CITY OF MANHATTAN BEACH**  
**INTEGRATED SOLID WASTE MANAGEMENT SERVICES CONTRACT COMPLIANCE AUDIT**  
**SCOPE OF WORK**

**PROJECT TASKS**

Our scope of work shall consist of the following tasks:

- 1) We will review relevant background documents, such as the franchise agreement, current rate schedule, payment receipts, and WM's periodic reports to the City.
- 2) We will prepare a data and document request for information to be submitted by WM and the City in advance of testing.
- 3) We will develop and execute a test plan to sample transactions to determine the accuracy of WM's customer base rates billed, recycling rebate distributions, and contract compliance.
- 4) We will perform an electronic comparison of the billing schedules obtained to the rate schedule to determine systemic variances in what is billed versus what is allowed per the rate schedule.
- 5) We will review source documents provided by WM in order to verify WM's compliance with requirements as stated in Objectives above.
- 6) We will receive documents electronically and participate in a virtual screen-sharing meeting in which we will validate certain support records maintained in WM's system to corroborate information reported to the City.
- 7) We will review and summarize information provided by the City and Company regarding complaints, with specific focus on the Company's procedures for recording and resolving requests related to missed pick-ups.
- 8) We will prepare a draft report summarizing the study findings.
- 9) We will review written comments submitted by the City and WM regarding the draft report.
- 10) We will prepare a final report after reviewing the comments from the City and WM.
- 11) We will discuss the report's findings with City staff.

**CITY OF MANHATTAN BEACH  
INTEGRATED SOLID WASTE MANAGEMENT SERVICES CONTRACT COMPLIANCE AUDIT  
SCOPE OF WORK**

**PROJECTED COSTS**

We will perform the scope of work for a fixed fee amount of \$80,000 billed as follows:

Review of background documents and submittal of data request	\$ 6,000
Completion of initial data analysis and virtual review of submitted data	\$ 39,150
Documentation of findings and submittal of draft report	\$ 27,250
Submittal of final report	<u>\$ 7,600</u>
Total	<u>\$ 80,000</u>

**SCHEDULE**

The project is estimated to be conducted over a period of approximately six months, assuming timely receipt of all required data in the format requested.

**CONTRACTOR REIMBURSEMENT OF AUDIT COSTS**

The franchise agreement requires WM to reimburse the City's audit costs. The first audit under the new franchise agreement is for the period from July 1, 2020 to June 30, 2021, and the cost to be reimbursed under Section 7.2.6 of the franchise agreement is \$80,000.

The franchise agreement indicates audits will be performed every other year following the initial audit. Future audit periods may cover July 1, 2022–June 30, 2023, July 1, 2024–June 30, 2025, and July 1, 2026–June 30, 2027. The franchise agreement expires on June 30, 2027, with an extension of up to 36-months at City's option; if extended, the franchise agreement would expire no later than June 30, 2030. In the event of a term extension, one more audit would be performed for the period from July 1, 2028–June 30, 2029.

Future audit fees are to be reimbursed to the City by WM in the amount of \$50,000, in 2020 dollars, increased annually by the change in Consumer Price Index for Trash and Garbage Collection (CUUR0000SEHG02), U.S. City average (CPI) from June 2020 to the June CPI index preceding the audit.

The scope will be determined by the Public Works Director prior to each future audit.

**CITY OF MANHATTAN BEACH**  
**INTEGRATED SOLID WASTE MANAGEMENT SERVICES CONTRACT COMPLIANCE AUDIT**  
**WORKPLAN**

TASK	DESCRIPTION	Sr. Vice President	Project Manager	Sr. Associate	Associate Analyst	Total Hours/ Fees
<b>TASK 1: Review of background documents and submittal of data request</b>						
	<b>Budgeted time</b>	4	6	8	6	24
<b>TASK 2: Completion of initial data analysis and virtual review of submitted data</b>						
	Objective 1: Confirm WM accurately billed customers in accordance with the City's approved rate schedule.	2	6	18	35	61
	Objective 2: Confirm WM diverted 50% of waste it collected. The franchise agreement includes an option to assess liquidated damages related to diversion efforts under Section 10.4.B.7.	1	4	6	6	17
	Objective 3: Confirm WM maintains and provided the City its complaint documentation summary on a monthly basis, as required by Section 4.2.3, and responds to complaints within one business day of receipt. The franchise agreement includes an option to assess liquidated damages related to customer responsiveness under Section 10.4.B.3.	2	4	10	16	32
	Objective 4: Confirm WM made quarterly distributions to customers for rebates from sales of recyclable materials, if applicable, based on the methodology included in Section 3.2.7.	2	4	16	18	40
	Objective 5: Confirm WM accurately remitted the City Recovery Cost fee for the period from July 1, 2020 – June 30, 2021 to the City prior to July 1, 2021	1	1	2	8	12
	Objective 6: Confirm WM reported commercial customer participation data related to MCR and MORe programs in its annual report, in line with Section 7.3.4.	1	2	4	8	15
	<b>Budgeted time</b>	9	21	56	91	177
<b>TASK 4: DRAFT REPORT</b>						
	<b>Budgeted time</b>	12	16	46	42.4	116
<b>TASK 5: FINAL REPORT</b>						
	<b>Budgeted time</b>	6	8	10	6	30
<b>Total Hours</b>		31	51	120	145	347



**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director

Anna Luke-Jones, Senior Management Analyst

**SUBJECT:**

Consideration of Resolution Approving an Agreement with HF&H Consultants, LLC. in the Amount of \$25,000 to Conduct a Senate Bill (SB) 1383 Grant-Funded Gap Analysis Regarding New Statewide Organic Waste Regulations and Appropriating \$50,347 in Grant-Reimbursable Funds for the Analysis and Other Reimbursable Expenditures (Public Works Director Lee).

**A) ADOPT RESOLUTION NO. 23-0009**

**B) APPROPRIATE FUNDS**

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**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 23-0009 approving an agreement with HF&H Consultants, LLC to conduct a Senate Bill (SB) 1383 grant-funded gap analysis regarding new statewide organic waste regulations and appropriating \$50,347 in grant-reimbursable funds for the analysis and other reimbursable expenditures.

**FISCAL IMPLICATIONS:**

The City received \$50,347 from CalRecycle in June 2022 as part of a Local Assistance Grant in order to implement SB 1383 requirements. Since this grant award was not included in the FY 2022-2023 Adopted Budget due to its timing, an appropriation of \$50,347 from the unreserved General Fund balance is required along with an offsetting adjustment to revenues.

The cost for HF&H Consultants, LLC to perform the recommended gap analysis is \$25,000.

**BACKGROUND:**

SB 1383, the Short-Term Climate Pollutants legislation, was adopted in 2016 and is the most significant waste reduction law to be adopted in California in the last 30 years. Its goal is to reduce organics waste landfill disposal by 75% (from 2014 levels) by 2025. This means

diverting more than 20 million tons from landfills. The legislation aims to slow climate change by diverting organic materials from landfills, recovering 20% of edible food, and redirecting it to food-insecure Californians. On the local level, it is also considered an “unfunded mandate.” Among other regulations, the law includes several areas where local agencies must adjust solid waste collection programs, outreach, procurement requirements, route, and material audits.

The City has been engaged with SB 1383 compliance efforts since the bill was first envisioned and prior to its adoption. For example, the City began providing citywide food waste recycling in 2015 years before the law’s 2022 implementation deadline. In 2018, Manhattan Beach was amongst only 15% of cities statewide that were preliminarily compliant with this part of SB 1383. In November 2021, the City Council also adopted a Mandatory Organic Waste Disposal Reduction ordinance for initial compliance with SB 1383.

The Department of Resources Recycling and Recovery (Cal Recycle), the State of California’s solid waste agency, created the SB 1383 Local Assistance Grant to begin helping agencies with the implementation of SB1383 requirements. The City applied for the grant and was awarded \$50,437. The current expenditure plan for the grant includes \$25,000 for the Gap Analysis, \$10,000 for Education, \$10,000 for Materials (to assist with the Procurement section of SB 1383), and \$5,000 for Marketing/Promotion/Outreach.

**DISCUSSION:**

The SB 1383 Local Assistance Grant is designed to begin helping cities financially with elements of this unfunded mandate. The City has identified the need for a gap analysis to provide a remaining roadmap of SB 1383 compliance.

Pursuant to Manhattan Beach Municipal Code (MBMC) Section 2.36.130, contracts for services of specially-trained and professional persons are exempt from bidding.

HF&H Consultants, LLC has been competitively and directly sourced as a solid waste consulting firm for the City several times over the last 20 years. They have assisted the City in the solid waste franchise negotiations and bidding processes for the 2001, 2011, and 2020 agreements, assisted the Sustainability Task Force with solid waste industry knowledge, and assisted with the ordinance establishing the food waste recycling program in 2015.

HF&H Consultants, LLC is an industry leader in solid waste consulting and has long-term established knowledge of the Manhattan Beach agreements, programs, and project-delivery expectation levels. As such, staff recommends that the City contract with HF&H to perform the gap analysis work.

**PUBLIC OUTREACH:**

After analysis, staff determined that public outreach was not required for this issue.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the



State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 23-0009
2. Agreement - HF&H Consultants, LLC.

RESOLUTION NO. 23-0009

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND HF&H CONSULTANTS, LLC FOR SB 1383 COMPLIANCE GAP ANALYSIS SERVICES.

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves the Professional Services Agreement between the City of Manhattan Beach and HF&H Consultants, LLC, dated January 17, 2023.

SECTION 2. The Council hereby directs the City Manager to execute the Agreement on behalf of the City.

SECTION 3. The City Council hereby appropriates \$50,347 from the unreserved General Fund balance for the gap analysis and other expenditures to be reimbursed by CalRecycle under the SB 1383 Local Assistance Grant.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution.

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

STEVE NAPOLITANO  
Mayor

ATTEST:

---

LIZA TAMURA  
City Clerk

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated January 17, 2023 (“Effective Date”) and is between the City of Manhattan Beach, a California municipal corporation (“City”) and HF&H Consultants, LLC, a California limited liability company (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

### RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to provide solid waste franchise agreement compliance audit services.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

#### 1. Consultant’s Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the “Services”) for a SB 1383 Compliance Gap Analysis and related studies, presentations, and related services, attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be Laith Ezzet, Senior Vice President (the “Consultant Representative”). The Consultant Representative shall directly manage Consultant’s Services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like

Approved for Use 3/1/2021

professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

**2. Term of Agreement.** The term of this Agreement shall be from the Effective Date through December 31, 2024, unless sooner terminated as provided in Section 12 of this Agreement or extended.

**3. Compensation.**

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the rates set forth in the Approved Fee Schedule attached hereto as **Exhibit A**. In no event shall Consultant's compensation exceed \$25,000 (the "Maximum Compensation").

B. Expenses. The amount set forth in paragraph 3.A. above includes reimbursement for all expenditures incurred in the performance of this Agreement.

C. Unauthorized Services and Unanticipated Expenses. City will not pay for any services not specified in the Scope of Services, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services in writing prior to Consultant's performance of those services or incurrence of additional expenses. Any additional services authorized by the City Council, or (where authorized) the City Manager shall be compensated at the rates set forth in **Exhibit A**, or, if not specified, at a rate mutually agreed to by the Parties. At the request of the Consultant, the City Council may, in writing, reimburse Consultant for an unanticipated expense at its actual cost. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

**4. Method of Payment.**

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Invoices must be submitted to [ap@manhattanbeach.gov](mailto:ap@manhattanbeach.gov). Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review

each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

**5. Independent contractor.** Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

**6. Information and Documents.**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with

City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the Services, surveys, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

**7. Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

**8. Indemnification, Hold Harmless, and Duty to Defend.**

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate

to the negligent acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 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. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall 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, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. 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. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

## 9. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$2,000,000.00 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section.



C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City.

Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Broader Coverage/Higher Limits. If Consultant maintains broader coverage and/or higher limits than the minimums required above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

L. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

## **10. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**11. Records and Inspections.** Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

## **12. Termination of Agreement.**

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement

at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

**13. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

**14. Default.**

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

**15. Notices.** Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and City's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO CITY:

City of Manhattan Beach  
Attn: Erick Lee, Public Works  
1400 Highland Avenue  
Manhattan Beach, California 90266  
[elee@manhattanbeach.gov](mailto:elee@manhattanbeach.gov)  
[aluke@manhattanbeach.gov](mailto:aluke@manhattanbeach.gov)

TO CONSULTANT:

HF&H Consultants, LLC  
Attn: Laith Ezzet, Senior VP  
2081 Business Center Drive, Ste. 265  
Irvine, CA 92612  
[lezzet@hfh-consultants.com](mailto:lezzet@hfh-consultants.com)

COPY TO CITY ATTORNEY:

City of Manhattan Beach  
Attn: City Attorney  
1400 Highland Avenue  
Manhattan Beach, CA 90266

**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City’s prior written consent. City’s consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, “assignment” and “delegation” means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be

construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

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

**21. Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

**22. Non-Appropriation of Funds.** Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**23. Exhibits. Exhibit A** constitutes a part of this Agreement and is incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

**24. Entire Agreement and Modification of Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written

understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

**25. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

**26. Word Usage.** Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

**27. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

**28. Business Days.** “Business days” means days Manhattan Beach City Hall is open for business.

**29. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

**30. Attorneys’ Fees.** In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys’ fees, experts’ fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

**31. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**32. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

**33. Corporate Authority.** Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

*[SIGNATURE PAGE FOLLOWS]*

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Manhattan Beach,  
a California municipal corporation

Consultant:

HF&H Consultants, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Name: Bruce Moe  
Title: City Manager

DocuSigned by:  
*Laith Ezzet*  
By: \_\_\_\_\_  
Name: Laith Ezzet  
Title: Senior Vice President  
12/22/2022

ATTEST:

**PROOF OF AUTHORITY TO BIND  
CONTRACTING PARTY REQUIRED**

By: \_\_\_\_\_  
Name: Liza Tamura  
Title: City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

By: \_\_\_\_\_  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

DocuSigned by:  
*Erick Lee*  
By: \_\_\_\_\_  
Name: Erick Lee  
Title: Public Works Director  
12/22/2022



**EXHIBIT A**  
**SCOPE OF SERVICES AND APPROVED FEE SCHEDULE**

*Begins on next page*

## Exhibit A: Scope of Services and Fee Schedule

## City of Manhattan Beach SB 1383 Compliance Gap Analysis

Prepared by HF&amp;H Consultants, LLC

**SCOPE OF WORK AND FEE ESTIMATE FOR  
SB 1383 COMPLIANCE GAP ANALYSIS****Background**

In November 2017, the City of Manhattan Beach (City) engaged with HF&H Consultants to assist the City with a competitive RFP process for integrated solid waste management services. California Senate Bill 1383 (SB 1383) was passed in September 2016, which directed CalRecycle to develop and adopt regulations to achieve organic waste reduction goals for 2020 and 2025. During the City's RFP process from 2017 to 2019, CalRecycle was in the process of developing SB 1383-related draft rules called "Short-lived Climate Pollutants (SLCP) Organic Waste Reductions." The City and HF&H worked to include those SB 1383 requirements in the RFP that were anticipated to be a part of future regulations. The City secured a franchise agreement with Waste Management that was executed on August 26, 2019. CalRecycle finalized the SLCP Organic Waste Reductions in November 2020.

City staff and the City's legal counsel, RWG, prepared the Mandatory Organic Waste Disposal Reduction Ordinance No. 21-0006 based on the model enforcement ordinance provided by CalRecycle. Ordinance No. 21-0006 was passed at the City Council meeting on November 2, 2021.

**Scope of Work**

The specific tasks and assignments will be determined on a mutually-agreed upon basis depending on the City's needs.

**Task 1. Engagement Initiation**

HF&H will initiate the engagement by conducting a meeting with the City to confirm the needs and desires of the City with respect to SB 1383 compliance approaches. This will ensure that recommendations and options developed align with the City's overall desired strategy for achieving compliance.

**Task 2. Request for Information**

HF&H will prepare a request for information for data necessary to conduct the analysis. HF&H will facilitate a conference call with the City to discuss the request for information and agree on timelines for delivery of that information, along with HF&H's work products dependent on it. The RFI will include, but not be limited to:

- Electronic Annual Reports
- Franchise Agreement and amendments, if any
- Municipal code sections related to solid waste, recycling, and organics
- Purchasing policy
- City Organization Chart

- Tonnage reports submitted by the waste hauler
- Customer subscription levels (to be provided by waste hauler)
- City facility solid waste service levels
- Large events and venues
- Non-profits and third parties providing food recovery service

### **Task 3. Community Programs Review**

The City will receive an analysis of the current organics collection programs for compliance with regulatory requirements (including processing, food recovery, education and outreach, and reporting under SB 1383). Furthermore, the City will benefit from our proven SB 1383 analysis tools, which have been reviewed by CalRecycle, including our compliance checklists and responsibility matrix. These proven tools efficiently assess compliance with SB 1383, identify gaps in programs, synthesize the data, and inform decisions about who to assign responsibility for the various compliance requirements. These tools are helpful working documents for use in the Implementation Record required by SB 1383. If there are questions or concerns surrounding a program's compliance, HF&H will obtain clarification from CalRecycle's SB 1383 Manager, or other CalRecycle representatives, as necessary. The City will benefit from our strong working relationship with CalRecycle and our deep knowledge of compliance issues, which has been developed across multiple engagements with CalRecycle, including our project of assisting CalRecycle with the development of tools for local government implementation of SB 1383.

### **Task 4. Internal Operations Review**

While SB 1383 is a shared-responsibility bill providing opportunity for delegation of requirements to franchisees, there are numerous requirements that could not be reasonably delegated, such as procurement of recovered content paper, issuing fines, and amending of ordinances. HF&H will evaluate the City's internal operations in order to identify gaps in performance or service compared to SB 1383 requirements. This analysis will be primarily focused on requirements for service, purchasing, education, outreach, and reporting.

### **Task 5. Baseline Analysis Report and Meeting**

Based on the information gathered and work performed in Tasks 1 through 4, HF&H will draft a presentation and facilitate a meeting to articulate the extent to which current programs, internal operations, and infrastructure comply. HF&H will discuss the pros and cons of various compliance pathways, and seek City direction on which programs they would like to consider. We will document the discussion and direction provided in annotated meeting notes.

### **Deliverable:**

The City will receive a baseline conditions report and one meeting with HF&H to review current compliance status and potential solutions to be considered.

## COST PROPOSAL

We will provide the requested services based on time and materials. The estimated cost is \$20,000 to \$25,000 for the project.

Our actual costs may be higher or lower than this estimate, depending on the level of support requested, and we will notify you in writing if a budget amendment is required. We will bill you once per month based on the number of hours worked, multiplied by our hourly billing rates, plus out-of-pocket expenses incurred. Payment is due within 30 days. Hourly rates are as follows:

Hourly rates for professional and administrative personnel are as follows:

<u>Position</u>	<u>Rate</u>
President/Sr. Vice President/Vice President	\$300 - \$329
Senior Project Manager	\$295
Manager	\$240 - \$269
Senior Associate	\$210 - \$239
Associate Analyst	\$160 - \$189
Assistant Analyst	\$125 - \$155
Administrative Staff	\$120

Standard charges for common direct expenses are as follows:

Automobile Travel	Prevailing IRS mileage rate
Document Reproduction (over 20 pages/run)	15 cents per page (black & white)
	75 cents per page (color)
Facsimile	No charge
Telephone	No charge
Public Conveyances	Actual
Postage	Actual
Overnight Mail and Couriers	Actual

## SCHEDULE

We have prepared a tentative project schedule below.

Activity	Target Date*
<b>Task: SB 1383 Compliance Gap Analysis</b>	
1. Initiate project	Month 1
2. Prepare for and attend kick-off meeting	Month 1
3. Prepare Request for Information for City and Hauler	Month 2
4. City and Hauler to provide data	Month 2
5. HF&H to review community programs and internal operations and prepare gap analysis	Months 3 & 4
6. Meeting with City and HF&H to review gap analysis	Month 5

\*Months following written authorization to proceed.

## STAFFING

Laith Ezzet, Senior Vice President, will be the Project Director, and April Hamud will be the project manager, and they will be assisted by other HF&H staff with the appropriate skills for the assigned tasks.





**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

---

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director  
Katherine Doherty, City Engineer  
Helen Shi, Senior Civil Engineer

**SUBJECT:**

Consideration of Resolutions to Accept Agreements of Easement Dedication and Covenants and Temporary Construction Easement Deeds for Properties at 1100 and 1120 N. Sepulveda Boulevard for the Manhattan Beach Boulevard and Sepulveda Boulevard Intersection Improvement Project (Public Works Director Lee).

- A) **ACCEPT**
  - B) **AUTHORIZE**
  - C) **ADOPT RESOLUTION NOS. 23-0012 AND 23-0013**
- 

**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution Nos. 23-0012 and 23-0013 accepting Agreements of Easement Dedication and Covenants and Temporary Construction Easement Deeds for Properties at 1100 and 1120 N. Sepulveda Boulevard for the proposed Manhattan Beach Boulevard and Sepulveda Boulevard Intersection Improvement Project (Project):

1. Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property for 1100 N. Sepulveda Boulevard, dated September 22, 2022, made by Stuart H. Sackley, Co-Trustee of The Sackley Family Trust.
2. Temporary Construction Easement Deed for 1100 N. Sepulveda Boulevard, dated September 22, 2022, made by Stuart H. Sackley, Co-Trustee of The Sackley Family Trust.
3. Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property for 1120 N. Sepulveda Boulevard, dated September 20, 2022, made by Small Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust.
4. Temporary Construction Easement Deed for 1120 N. Sepulveda Boulevard, dated

September 20, 2022, made by Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust.

**FISCAL IMPLICATIONS:**

There is no cost associated with the acceptance of these easements. However, the City will be responsible for the improvements and maintenance of the easement areas as it relates to public streets, utilities, sidewalks, and driveways, as detailed in the deeds after acceptance. There are no additional fiscal implications at this time.

**BACKGROUND:**

On September 1, 2015, City Council approved a \$980,000 Measure R South Bay Highway Program Funding Agreement with Los Angeles County Metropolitan Transportation Authority (Metro) for the intersection's turn movement improvements at Manhattan Beach Boulevard and Sepulveda Boulevard. The improvements include providing dual left-turn pockets in the following directions:

- Eastbound Manhattan Beach Boulevard to northbound Sepulveda Boulevard
- Northbound Sepulveda Boulevard to westbound Manhattan Beach Boulevard
- Westbound Manhattan Beach Boulevard to southbound Sepulveda Boulevard

This intersection is located in an area of the City with limited on-street parking and moderately heavy pedestrian usage. The design and subsequent construction take into account the need for the lowest possible impact on the livelihood of the residents, visitors, and business owners. There are three approved resolutions on file that contain rights-of-way dedications from the existing properties on the northwest, southwest, and southeast corners of Manhattan Beach Boulevard and Sepulveda Boulevard, which include:

- Resolution Number PC 98-33 (northwest corner)
- Resolution Number 08-13 (southwest corner)
- Resolution Number 6122 (southeast corner)

Per Resolution Number 6122 (attached), Section 2, Condition 37, an 8-foot dedication shall be provided along the entire length of Sepulveda Boulevard for the future widening of the right-of-way for an additional left-hand turn pocket for traffic traveling west onto Manhattan Beach Boulevard at the southeast corner of Manhattan Beach Boulevard and Sepulveda Boulevard. In addition, the Project is required to provide an additional corner cut-off dedication to accommodate an Americans with Disabilities Act (ADA) compliant access ramp, pedestrian access area, and future street improvement at the corners of Manhattan Beach Boulevard and Sepulveda Boulevard, and Sepulveda Boulevard and 11th Street.

**DISCUSSION:**

Sepulveda Boulevard is State Route 1 through the City of Manhattan Beach and therefore, Caltrans is a partner in the review and approval of this Project. The additional right-of-way was determined to be necessary during the Caltrans plan check and permitting process along the property frontage at 1100 and 1120 N. Sepulveda Boulevard.



“Property Owners,” referring to The Sackley Family Trust dated March 31, 2004 and The Nayebeddash Family Trust dated June 18, 1999, have agreed to 10-foot dedications along Sepulveda Boulevard with corner cuts at the corners of Manhattan Beach Boulevard and Sepulveda Boulevard, and 11th Street and Sepulveda Boulevard to the City at no cost, as shown in the attachments to this report entitled Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property for 1100 N. Sepulveda Boulevard, and Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property for 1120 N. Sepulveda Boulevard.

To facilitate the construction of the intersection’s turn movement improvements at Manhattan Beach Boulevard and Sepulveda Boulevard, the Property Owners have agreed to grant Temporary Construction Easements, attached as Temporary Construction Easement Deed for 1100 N. Sepulveda Boulevard, and Temporary Construction Easement Deed for 1120 N. Sepulveda Boulevard.

The attached Resolutions, therefore, allow the City to accept the dedications, covenants and temporary construction easements for the construction of the Project. Should the City Council approve the Agreements, then the Irrevocable Offers of Dedication and Covenants and Temporary Construction Easement Deeds will be accepted, executed and recorded with the Los Angeles County Recorder’s Office.

Following approval of the City’s acceptance of the aforementioned dedications, covenants and temporary construction easements, the City would be able to move forward with the intersection’s improvements at Manhattan Beach Boulevard and Sepulveda Boulevard.

The Project team is in the project planning process, including the proposed right-of-way acquisition of other property rights from properties at the northwest, northeast, and southwest corners of Manhattan Beach Boulevard and Sepulveda Boulevard. If agreements are reached between those property owners and the City, City staff will submit those agreements for the City Council discussion and approval.

**PUBLIC OUTREACH:**

The proposed Project has been discussed with the property owners within and adjacent to the Project area. Dedications, Covenants and Temporary Construction Easements were agreed to by the Property Owners of 1100 and 1120 N. Sepulveda Boulevard.

This Project was discussed at September 1, 2015, January 3, 2017, August 18, 2020, and August 24, 2021, City Council meetings. Staff will continue to maintain regular communication with the Property Owners to keep them abreast of the Project schedule and impacts during the design phase of this Project.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed acceptance of easement activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “project” as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no further environmental review is necessary.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 23-0012
2. Agreement -Irrevocable Offer of Dedication and Covenants - 1100 N. Sepulveda Boulevard
3. Temporary Construction Easement Deed - 1100 N. Sepulveda Boulevard
4. Resolution No. 23-0013
5. Agreement - Irrevocable Offer of Dedication and Covenants - 1120 N. Sepulveda Boulevard
6. Temporary Construction Easement Deed - 1120 N. Sepulveda Boulevard
7. Resolution No. 6122

RESOLUTION NO. 23-0012

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL ACCEPTING AGREEMENT OF EASEMENT DEDICATION AND COVENANTS AND TEMPORARY CONSTRUCTION EASEMENT DEED FOR PROPERTY AT 1100 N. SEPULVEDA BOULEVARD FOR THE MANHATTAN BEACH BOULEVARD AND SEPULVEDA BOULEVARD INTERSECTION IMPROVEMENT PROJECT

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City of Manhattan Beach ("City") has undertaken an intersection improvement project ("Project") at Manhattan Beach Boulevard and Sepulveda Boulevard. In connection with this Project, the City requires below easements, in and to portion of the property commonly known as 1100 N. Sepulveda Boulevard, owned by Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004 ("Sackley Owner"), in the City of Manhattan Beach:

1. Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property for 1100 N. Sepulveda Boulevard made by Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004. [See Attachment A]
2. Temporary Construction Easement Deed for 1100 N. Sepulveda Boulevard made by Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004. [See Attachment B]

SECTION 2. Sackley Owner authorized and approved the City to execute Agreements that grant certain property rights to the City, true and correct copies of the Sackley Owner Agreement Containing Irrevocable Offer of Dedication and Covenants, and Temporary Construction Easement Deed are attached hereto as Attachments A & B and are hereby incorporated by this reference.

SECTION 3. The City Council hereby accepts and consents to the Sackley Owner conveyances of the above referenced Irrevocable Offer of Dedication and Covenants, and Temporary Construction Easement rights to the City for public purposes.

SECTION 4. The City Council hereby authorizes the City Manager to cause the City to accept the Sackley Owner conveyances of the above referenced Irrevocable Offers of Dedication and Covenants, and Temporary Construction Easement rights on behalf of the City and to record said grant of rights to the City by executing Sackley Owner Agreement Containing Irrevocable Offer of Dedication and Covenants, and Temporary Construction Easement Deed with the Owner (See Attachments A & B) and any other forms necessary to

effectuate the acceptance and recordation of the Irrevocable Offer of Dedication and Covenants and Temporary Construction Easement rights.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution.

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

STEVE NAPOLITANO  
Mayor

ATTEST:

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LIZA TAMURA  
City Clerk

ATTACHMENT A

AGREEMENT CONTAINING IRREVOCABLE OFFER OF DEDICATION AND COVENANTS CONCERNING REAL PROPERTY FOR 1100 N. SEPULVEDA BOULEVARD MADE BY STUART H. SACKLEY, CO-TRUSTEE OF THE SACKLEY FAMILY TRUST DATED MARCH 31, 2004.

EXHIBIT A LEGAL DESCRIPTION,

AND

EXHIBIT B PLAT

CERTIFICATE OF ACCEPTANCE

Irrevocable Offer Of Dedication And Covenants Concerning Real Property For  
1100 N. Sepulveda Boulevard

This is to certify that the interest in real property conveyed by the deed or grant dated September 22, 2022 from Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004, is hereby accepted by the undersigned agent on behalf of the City of Manhattan Beach pursuant to authority conferred by Resolution No. 23-0010 of the City Council of the City of Manhattan Beach, adopted on January 17, 2023, and the grantee consents to the recordation thereof by it duly authorized agent.

Dated: \_\_\_\_\_

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

\_\_\_\_\_

Title

ATTACHMENT B

TEMPORARY CONSTRUCTION EASEMENT DEED FOR 1100 N. SEPULVEDA  
BOULEVARD MADE BY STUART H. SACKLEY, CO-TRUSTEE OF THE  
SACKLEY FAMILY TRUST DATED MARCH 31, 2004.

EXHIBIT A LEGAL DESCRIPTION,

AND

EXHIBIT B PLAT

CERTIFICATE OF ACCEPTANCE

Temporary Construction Easement Deed For 1100 N. Sepulveda Boulevard

This is to certify that the interest in real property conveyed by the deed or grant dated September 22, 2022 from Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004, is hereby accepted by the undersigned agent on behalf of the City of Manhattan Beach pursuant to authority conferred by Resolution No. 23-0010 of the City Council of the City of Manhattan Beach, adopted on January 17, 2023, and the grantee consents to the recordation thereof by it duly authorized agent.

Dated: \_\_\_\_\_

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

\_\_\_\_\_  
Title



RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Attn: City Clerk

APN: 4167-015-077

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Free Recording per Gov't Code Sec. 6103

**AGREEMENT CONTAINING**  
**IRREVOCABLE OFFER OF DEDICATION**  
**AND COVENANTS CONCERNING REAL PROPERTY**  
**( 1100 N. Sepulveda)**

THIS AGREEMENT CONTAINING IRREVOCABLE OFFER OF DEDICATION AND COVENANTS CONCERNING REAL PROPERTY (this "Agreement") is made as of September 22, 2022, by **Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004**, ("Owner"), in favor of the **City of Manhattan Beach**, a municipal corporation (the "City").

1. **IRREVOCABLE OFFER OF DEDICATION.** Owner hereby represents and warrants that it is the sole owner of the property described on Exhibits "A" & "A-1" and depicted on Exhibits "B" & "B-1" (the "Property") and that such property is not encumbered by any deeds of trust or other liens (except for liens for property taxes and assessments not yet due), and makes an irrevocable offer (the "Offer") to dedicate to City an easement (the "Easement") for public street and/or alley purposes, as applicable, over the Property.

a. **Term of Offer.** The term (the "Term") of the Offer shall commence on the date of recordation hereof, which date shall be the date the Offer is deemed filed for the purposes of Manhattan Beach Municipal Code Section 10-6-4. The Offer is irrevocable by Owner.

b. **Mode of Acceptance of Offer.** The Offer may be accepted by City any time by adoption of a Resolution of the City Council of the City accepting the dedication of the Easement (the "Resolution of Acceptance"). The Resolution of Acceptance will authorize the appropriate City official to execute an instrument (the "Acceptance") accepting the Offer in substantially the form attached hereto as Exhibit "C", which is incorporated herein by reference.

2. **COVENANTS.** Owner covenants, for itself, its successor and assigns, as follows:

a. **Removal of Encroachments.** To remove, at Owner's sole cost and expense, all improvements and fixtures upon the Property which the City Engineer reasonably determines will constitute encroachments onto the Easement upon City's acceptance of the Easement (the "Encroachments"). The removal shall be performed in accordance with the following:

(1) City shall give a written notice to Owner, which notice shall: (i) describe the Encroachments that must be removed; (ii) direct Owner to remove them; and (iii) specify the date by which the removal must be completed, which date shall be no less than sixty (60) days after the date the notice is given.

(2) The Owner shall remove the Encroachments by the date specified in the notice.

(3) In the event Owner shall fail to remove the Encroachments by that date, or if Owner delays in the removal of the Encroachments such that the removal cannot practicably be completed by that date, City may immediately enter the Property and remove or cause the removal of the Encroachments at Owner's cost. Owner shall, immediately upon demand, reimburse City for City's actual costs incurred in removing the Encroachments.

b. **Construction of Improvements.** To install and complete to the satisfaction of the City Engineer any improvements that the City Engineer determines are required to effectuate the purpose of the Easement.

3. **Covenants Run With the Land.** The covenants made in this Agreement and the Offer shall run with the land and shall burden the Property for the benefit of City. The covenants and the Offer shall inure to the benefit of, or bind, as the case may require, the respective heirs, representatives, successors and assigns of City and Owner. Owner authorizes City to record this Agreement in Official Records of the Recorder's Office of the County of Los Angeles.

4. **Limitation on City Liability and Indemnification.**

a. Owner and City agree that City shall have no liability with respect to the Property or the Easement, whether resulting from the maintenance or failure to maintain same or otherwise, and shall not assume any responsibility for the Property or the Easement or any improvements or fixtures thereon or therein, unless and until both of the following occur:

(1) City adopts the Resolution of Acceptance; and

(2) The removal of all Encroachments and the construction of all Improvements have been completed to the satisfaction of the City Engineer.

b. Owner agrees to continue to maintain the Property and assume all liability for the condition of the Property until both of the conditions set forth in Section 4(a) have occurred. Owner agrees to indemnify, hold harmless, protect and defend City, its Council, and each member thereof, directors, officers, agents, employees and attorneys, from all claims, causes of action, suits, damages or other liabilities occurring in, on or about the Easement and/or the Property until both of the conditions set forth in Section 4(a) have occurred.

5. **Address for Notices.** Any notices, demands or communications under this Agreement shall be given as follows:

To Owner: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To City: City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Attn: City Engineer

Written notices, demands and communications between City and Owner shall be sufficiently given by personal service or dispatched by first class mail, postage prepaid, return receipt requested, to the addresses set forth above. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section. Notwithstanding anything to the contrary contained herein, notice personally served shall be presumed to have been received as of the date of such service, and notices sent via mail as provided herein shall be presumed to have been received on the second business day after deposit of same in the mail.

IN WITNESS WHEREOF, Owner has executed this Agreement as of the date first written above.

**GRANTOR: Stuart H. Sackley, Co-Trustee  
of The Sackley Family Trust dated March  
31, 2004**

Dated: September 22, 2022

  
Stuart H. Sackley, Co-Trustee

**Approved as to Form:**

**Approved as to Content:**

\_\_\_\_\_  
Quinn M. Barrow  
City Attorney

\_\_\_\_\_  
Katherine Doherty  
City Engineer

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

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

**STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

On September 22, 2022 before me, Stacy R. Straus Notary Public, personally appeared Stuart H. Sackley

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

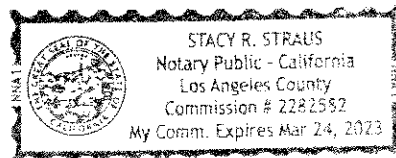
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
(Signature of officer)

(Seal)

Stacy R. Straus, Notary Public - California  
Los Angeles County  
Commission # 2282582  
Commission expires on: March 24, 2023



**EXHIBIT "A"**  
LEGAL DESCRIPTION

BEING A PORTION OF LOTS 15 IN BLOCK 2 OF TRACT NO. 142, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13 PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. FURTHER DESCRIBED AS:

**BEGINNING** AT THE SOUTHWEST CORNER OF SAID LOT 15, SAID POINT ALSO BEING ON THE EASTERLY RIGHT-OF-WAY OF SEPULVEDA BOULEVARD HAVING A HALF WIDTH OF 50 FEET;

THENCE NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE NORTH 00°01'45" EAST 69.98 FEET;

THENCE SOUTH 89°41'57" EAST 10.00 FEET, TO A POINT ON A LINE PARALLEL TO AND DISTANT 10 FEET EASTERLY OF SAID EASTERLY RIGHT-OF-WAY LINE;

THENCE SOUTHERLY ALONG SAID PARALLEL LINE SOUTH 00°01'45" WEST 52.26 FEET;

THENCE LEAVING SAID PARALLEL LINE SOUTH 43°56'14" EAST 27.77 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF 11th STREET HAVING A HALF WIDTH OF 20 FEET;

THENCE WESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE NORTH 89°37'57" WEST 27.20 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 852.3 SQUARE FEET MORE OR LESS

SUBJECT TO EASEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, RIGHTS, RIGHTS OF WAY, AND OTHER MATTERS OF RECORD, IF ANY.



9-23-22

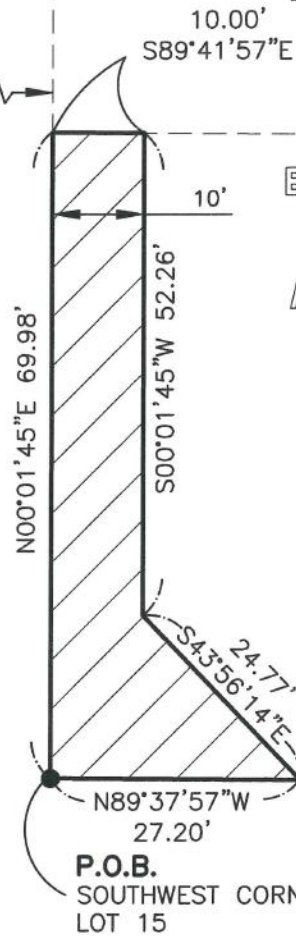
DAVID R. CHAPIN PLS 6761

DATE



SCALE : 1" = 20'

SEPULVEDA BOULEVARD



PCL 2  
 APN: 4167-015-076  
 10.00'  
 S89°41'57"E  
 50'  
 10'  
 BLOCK 2 OF TRACT 142  
 BK 13/182-183  
 APN: 4167-015-077  
 15 16  
 LL ADJ.  
 INST NO. 20201632100  
 PCL 1

P.O.B.  
 SOUTHWEST CORNER  
 LOT 15

11th STREET



P.O.B. = POINT OF BEGINNING

AREA OF DEDICATION CONTAINING 852.3 SQFT, MORE OR LESS

**STREET DEDICATION PLAT - EXHIBIT 'B'**

<b>DC ENGINEERING, INC.</b> 1150 NORTH RICHFIELD ROAD, SUITE B ANAHEIM, CA 92807 PHONE : (714) 779-3828	THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.  DRAWN BY: JDF DATE: 08/08/2022	SHEET 1 OF 1
		SCALE: 1"=20'
		SUBJECT: STREET DEDICATION

**EXHIBIT "A" - 1**  
LEGAL DESCRIPTION

BEING A PORTION OF LOTS 15 THRU 18 IN BLOCK 2 OF TRACT NO. 142, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13 PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. FURTHER DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 15, SAID POINT ALSO BEING ON THE NORTHERLY RIGHT-OF-WAY OF 11th STREET HAVING A HALF WIDTH OF 20.00 FEET WIDE;

THENCE EASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE SOUTH 89°37'57" EAST 27.20 FEET;

THENCE LEAVING SAID NORTHERLY RIGHT-OF-WAY LINE NORTH 43°56'14" WEST 2.18 FEET;

THENCE EASTERLY SOUTH 89°37'57" EAST 174.73 FEET TO A POINT ON THE EASTERLY LINE OF SAID LOT 18;

THENCE SOUTHERLY ALONG SAID EASTERLY LINE SOUTH 00°01'45" WEST 1.72 FEET, TO A POINT ON THE SAID NORTHERLY RIGHT-OF-WAY LINE;

THENCE WESTERLY ALONG SAID RIGHT-OF-WAY LINE NORTH 89°37'57" WEST 173.21 FEET TO THE **TRUE POINT OF BEGINNING**

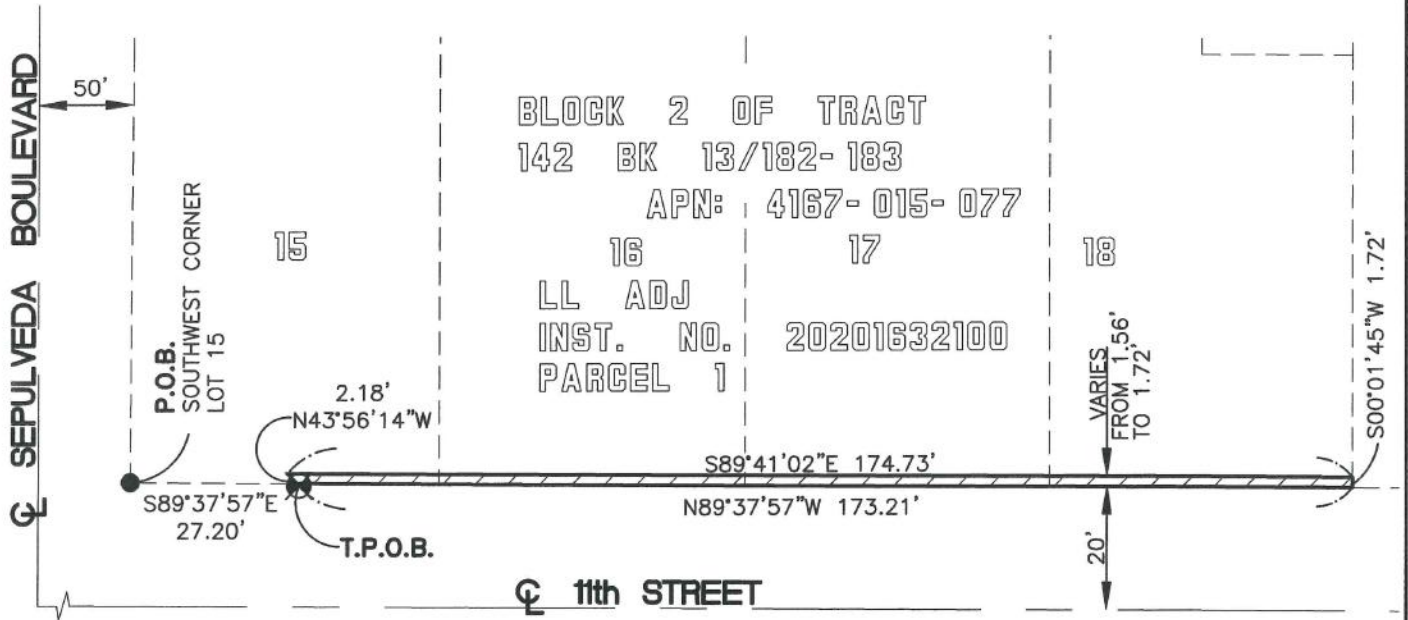
CONTAINING 285.6 SQUARE FEET MORE OR LESS

  
\_\_\_\_\_  
DAVID R. CHAPIN PLS 6761

9-23-22  
\_\_\_\_\_  
DATE



SCALE : 1"=30'



AREA OF DEDICATION CONTAINING 285.6 SQFT, MORE OR LESS

**PEDESTRIAN EASEMENT PLAT - EXHIBIT 'B'**

**DC ENGINEERING, INC.**  
 1150 NORTH RICHFIELD ROAD, SUITE B  
 ANAHEIM, CA 92807  
 PHONE : (714) 779-3828

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=30'

DRAWN BY: JDF DATE: 08/08/2022

SUBJECT: PEDESTRIAN EASEMENT



Exhibit "C"

Form of Acceptance of Offer

Recording Requested by  
and when recorded return to:

CITY OF MANHATTAN BEACH  
455 N. Rexford Drive  
Manhattan Beach, CA 90210  
Attn: City Clerk

Exempt from recording fees pursuant to G.C. §6103  
Exempt from Documentary Transfer Taxes pursuant to R & T Code §11922

ACCEPTANCE OF DEDICATION OF EASEMENT

The CITY OF MANHATTAN BEACH, a municipal corporation ("Grantee"), hereby accepts the offer (the "Offer") of dedication of easement (the "Easement") made by **Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004** ("Grantor") in that certain Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property (the "Agreement") by and between Grantor and Grantee dated as of \_\_\_\_\_, 2022, and recorded in Official Records of the Recorder's Office for the County of Los Angeles on \_\_\_\_\_, 2022 as Instrument No. \_\_\_\_\_.

The Easement is an easement for public street and/or alley purposes over that certain real property located in the City of Manhattan Beach, County of Los Angeles, State of California, described on Exhibit "A", attached hereto and incorporated herein by reference.

The Offer and this Acceptance of Dedication of Easement arises from and is made pursuant to the Agreement.

The undersigned was authorized to execute and record this Acceptance of Dedication of Easement on behalf of Grantee pursuant to resolution of the City Council of Grantee adopted on \_\_\_\_\_, 2022.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date set forth below.

**"Grantee":**

CITY OF MANHATTAN BEACH, a municipal corporation

By: [EXHIBIT ONLY] \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2022

**RECORDING REQUESTED BY,  
AND WHEN RECORDED RETURN TO:**

City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Attn: City Clerk

APN: 4167-015-077

[SPACE ABOVE FOR RECORDER'S USE ONLY]

**TEMPORARY CONSTRUCTION EASEMENT DEED**

This transfer is exempt from Documentary Transfer Tax as a conveyance for no consideration, and is exempt from Recording Fees pursuant to California Government Code Section 6103.

**Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004**, hereinafter referred to as "GRANTOR," is the owner of, and Kinecta Federal Credit Union, a Federally Chartered Credit Union currently leases "LESSEE", that real property in the City of Manhattan Beach, County of Los Angeles, State of California, on the property commonly known as 1100 N. Sepulveda Blvd., Manhattan Beach, CA 90266, identified as County Assessor's Parcel Number 4167-015-077 (hereinafter referred to as the "Property").

For a valuable consideration, receipt of which is hereby acknowledged, GRANTOR hereby grants to the City of Manhattan Beach, a municipal corporation in the County of Los Angeles, State of California, and its contractors, successors and assigns, referred to collectively as "GRANTEE", a thirty-six month Temporary Construction Easement for the Sepulveda Blvd. & Manhattan Beach Blvd. Project (Project) and to utilize said Temporary Construction Easement for all project related activities and purposes in, on, over, under, through, and across that certain parcel of land described and depicted in Exhibits "A" and "B", attached hereto and incorporated herein ("Temporary Construction Easement Area").

Such use shall include the right to temporarily place equipment, materials and vehicles, and pile earth thereon during periods of active construction, and the right to conduct grading and pavement and curb restoration work and other related activities in conjunction with the construction of the Project. GRANTOR may jointly traverse the Temporary Construction Easement Area for ingress and egress purposes whenever clear and safe access routes are available. GRANTOR acknowledges herein that there will be some access delays and obstructions within the Temporary Construction Easement Area from time to time as Project construction work is underway.

This Temporary Construction Easement shall be for a period not to exceed thirty-six (36) months, commencing upon the date the project receives right of way certification by Caltrans. This Temporary Construction Easement shall expire and all rights to the above-described property conveyed herein shall cease and terminate no later than Thirty-six (36) months after Caltrans approves the right of way certification of this project. Such rights may also be terminated prior to the expiration of this period by City upon written notice to Grantor.

GRANTOR hereby warrants and represents that they are the sole owner of the Real Property upon which this Temporary Construction Easement is located, and that GRANTOR holds sufficient title in said property to fully grant to GRANTEE the Temporary Construction Easement described herein without conflict with any other interests.

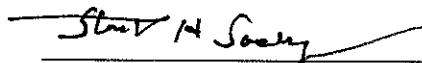
This Grant of Temporary Construction Easement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns to the parties hereto. GRANTEE'S rights and obligations herein are assignable and transferable by GRANTEE, in whole or in part, to GRANTEE'S contractor(s), successors and assignees.

IN WITNESS WHEREOF, the undersigned GRANTOR has executed this Temporary Construction Easement Deed and approved by LESSEE as of the date set forth below. Signatures may be obtained and assembled in counterpart to complete the document.

Dated: September 22, 2022

**GRANTOR:**

**Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004**



\_\_\_\_\_  
Stuart H. Sackley, Co-Trustee

**LESSEE: Kinecta Federal Credit Union, a Federally Chartered Credit Union**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Sign

\_\_\_\_\_  
Print

\_\_\_\_\_  
Title

*NOTARY ACKNOWLEDGEMENTS ATTACHED for all SIGNATURES*

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

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

**STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

On September 22, 2022 before me, Stacy R. Straus Notary Public, personally appeared Stuart H. Sackley

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

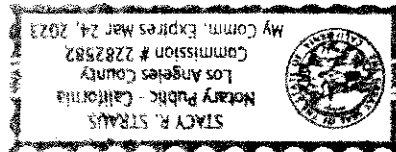
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
(Signature of officer)

(Seal)

Stacy R. Straus, Notary Public - California  
Los Angeles County  
Commission # 2282582  
Commission expires on: March 24, 2023



GRANTOR hereby warrants and represents that they are the sole owner of the Real Property upon which this Temporary Construction Easement is located, and that GRANTOR holds sufficient title in said property to fully grant to GRANTEE the Temporary Construction Easement described herein without conflict with any other interests.

This Grant of Temporary Construction Easement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns to the parties hereto. GRANTEE'S rights and obligations herein are assignable and transferable by GRANTEE, in whole or in part, to GRANTEE'S contractor(s), successors and assignees.

IN WITNESS WHEREOF, the undersigned GRANTOR has executed this Temporary Construction Easement Deed and approved by LESSEE as of the date set forth below. Signatures may be obtained and assembled in counterpart to complete the document.

Dated: Sept. 28, 2022, 2022

**GRANTOR:**

**Stuart H. Sackley, Co-Trustee of The Sackley Family Trust dated March 31, 2004**

Stuart H. Sackley  
Stuart H. Sackley, Co-Trustee

Dated: 9-28-2022

**LESSEE: Kinecta Federal Credit Union, a Federally Chartered Credit Union**

Mark Holbrook  
Sign  
MARK HOLBROOK  
Print  
SVP-CRO  
Title

*NOTARY ACKNOWLEDGEMENTS ATTACHED for all SIGNATURES*

**ACKNOWLEDGMENT**

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

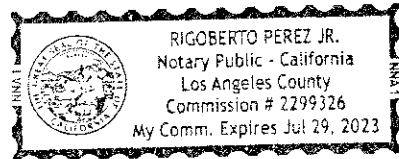
State of California  
County of Los Angeles

On September 28, 2022 before me, Rigoberto Perez Jr. Notary Public  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature] (Seal)

**EXHIBIT "A"**  
LEGAL DESCRIPTION

BEING A PORTION OF LOTS 15 IN BLOCK 2 OF TRACT NO. 142, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13 PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. FURTHER DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 15, SAID POINT ALSO BEING ON THE EASTERLY RIGHT-OF-WAY OF SEPULVEDA BOULEVARD HAVING A HALF WIDTH OF 50 FEET;

THENCE NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE NORTH 00°01'45" EAST 69.98 FEET;

THENCE SOUTH 89°41'57" EAST 10.00 FEET, TO A POINT ON A LINE PARALLEL TO AND DISTANT 10 FEET EASTERLY OF SAID EASTERLY RIGHT-OF-WAY LINE SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89°41'57" EAST 1.00 FOOT, TO A LINE PARALLEL WITH AND 11.00 FEET EASTERLY OF SAID RIGHT-OF-WAY LINE;

THENCE LEAVING SAID PARALLEL LINE SOUTH 00°04'45" EAST 51.86 FEET;

THENCE WESTERLY SOUTH 43°56'14" EAST 25.35 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF 11TH STREET HAVING A HALF-WIDTH OF 20.00 FEET;


THENCE WESTERLY ALONG SAID RIGHT-OF-WAY LINE NORTH 89°37'57" WEST 1.40 FEET;

THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 43°56'14" WEST 24.77 FEET

TO A POINT ON A LINE PARALLEL WITH AND 10.00 FEET WESTERLY OF SAID RIGHT-OF-WAY LINE;

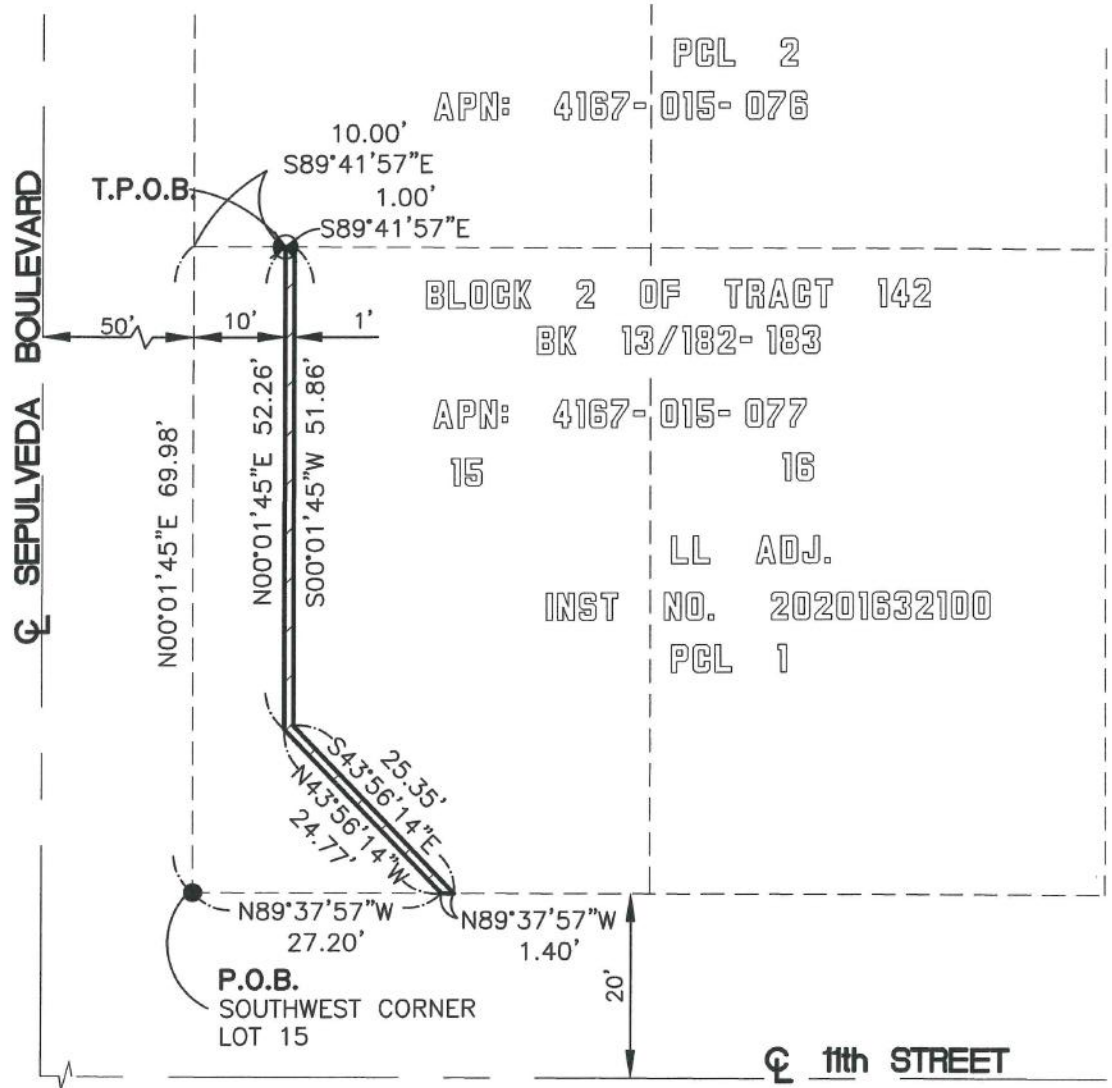
THENCE NORTHERLY ALONG SAID PARALLEL LINE NORTH 00°01'45" EAST 52.26 TO THE **TRUE POINT OF BEGINNING.**


CONTAINING 77.1 SQUARE FEET MORE OR LESS

  
DAVID R. CHAPIN      PLS 6761      9-23-22      DATE



SCALE : 1"=20'




 AREA OF DEDICATION CONTAINING 77.1 SQFT, MORE OR LESS

## TEMPORARY CONSTRUCTION EASEMENT PLAT - EXHIBIT 'B'

**DC ENGINEERING, INC.**  
 1150 NORTH RICHFIELD ROAD, SUITE B  
 ANAHEIM, CA 92807  
 PHONE : (714) 779-3828

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1  
 SCALE: 1"=20'

DRAWN BY: JDF DATE: 08/08/2021

SUBJECT: TEMP. CONS. EASEMENT



RESOLUTION NO. 23-0013

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL ACCEPTING AGREEMENT OF EASEMENT DEDICATION AND COVENANTS AND TEMPORARY CONSTRUCTION EASEMENT DEED FOR PROPERTY AT 1120 N. SEPULVEDA BOULEVARD FOR THE MANHATTAN BEACH BOULEVARD AND SEPULVEDA BOULEVARD INTERSECTION IMPROVEMENT PROJECT

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City of Manhattan Beach (“City”) has undertaken an intersection improvement project (“Project”) at Manhattan Beach Boulevard and Sepulveda Boulevard. In connection with this Project, the City requires below easements, in and to portion of the property commonly known as 1120 N. Sepulveda Boulevard owned by Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust dated June 18, 1999 (“Nayebdadash Owner”), in the City of Manhattan Beach:

1. Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property for 1120 N. Sepulveda Boulevard made by Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust dated June 18, 1999. [See Attachment A]
2. Temporary Construction Easement Deed for 1120 N. Sepulveda Boulevard made by Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust dated June 18, 1999. [See Attachment B]

SECTION 2. Nayebdadash Owner authorized and approved the City to execute Agreements that grant certain property rights to the City, true and correct copies of the Nayebdadash Owner Agreement Containing Irrevocable Offer of Dedication and Covenants, and Temporary Construction Easement Deed are attached hereto as Attachments A & B and are hereby incorporated by this reference.

SECTION 3. The City Council hereby accepts and consents to the Nayebdadash Owner conveyances of the above referenced Irrevocable Offer of Dedication and Covenants, and Temporary Construction Easement rights to the City for public purposes.

SECTION 4. The City Council hereby authorizes the City Manager to cause the City to accept the Nayebdadash Owner conveyances of the above referenced Irrevocable Offers of Dedication and Covenants, and Temporary Construction Easement rights on behalf of the City and to record said grant of rights to the City by executing Nayebdadash Owner Agreement Containing

Irrevocable Offer of Dedication and Covenants, and Temporary Construction Easement Deed with the Owner (See Attachments A & B) and any other forms necessary to effectuate the acceptance and recordation of the Irrevocable Offer of Dedication and Covenants and Temporary Construction Easement rights.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution.

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

STEVE NAPOLITANO  
Mayor

ATTEST:

---

LIZA TAMURA  
City Clerk

ATTACHMENT A

AGREEMENT CONTAINING IRREVOCABLE OFFER OF DEDICATION AND COVENANTS CONCERNING REAL PROPERTY FOR 1120 N. SEPULVEDA BOULEVARD MADE BY SMAIL NAYEBDADASH AND NADI NAYEBDADASH, AS TRUSTEES OF THE NAYEBDADASH FAMILY TRUST DATED JUNE 18, 1999.

EXHIBIT A LEGAL DESCRIPTION,

AND

EXHIBIT B PLAT

**CERTIFICATE OF ACCEPTANCE**  
Irrevocable Offers of Dedication and Covenants For 1120 N. Sepulveda  
Boulevard

This is to certify that the interest in real property conveyed by the deed or grant dated September 20, 2022 from Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust dated June 18, 1999, is hereby accepted by the undersigned agent on behalf of the City of Manhattan Beach pursuant to authority conferred by Resolution No. 23-0011 of the City Council of the City of Manhattan Beach, adopted on January 17, 2023, and the grantee consents to the recordation thereof by it duly authorized agent.

Dated: \_\_\_\_\_

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

\_\_\_\_\_  
Title

ATTACHMENT B

TEMPORARY CONSTRUCTION EASEMENT DEED FOR 1120 N. SEPULVEDA BOULEVARD MADE BY SMAIL NAYEBDADASH AND NADI NAYEBDADASH, AS TRUSTEES OF THE NAYEBDADASH FAMILY TRUST DATED JUNE 18, 1999.

EXHIBIT A LEGAL DESCRIPTION,

AND

EXHIBIT B PLAT

CERTIFICATE OF ACCEPTANCE

Temporary Construction Easement Deed For 1120 N. Sepulveda Boulevard

This is to certify that the interest in real property conveyed by the deed or grant dated September 20, 2022 from Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust dated June 18, 1999, is hereby accepted by the undersigned agent on behalf of the City of Manhattan Beach pursuant to authority conferred by Resolution No. 23-0011 of the City Council of the City of Manhattan Beach, adopted on January 17, 2023, and the grantee consents to the recordation thereof by it duly authorized agent.

Dated: \_\_\_\_\_

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

\_\_\_\_\_

Title

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Attn: City Clerk

APN: 4167-015-076

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Free Recording per Gov't Code Sec. 6103

**AGREEMENT CONTAINING**  
**IRREVOCABLE OFFER OF DEDICATION**  
**AND COVENANTS CONCERNING REAL PROPERTY**  
**( 1120 N. Sepulveda)**

THIS AGREEMENT CONTAINING IRREVOCABLE OFFER OF DEDICATION AND COVENANTS CONCERNING REAL PROPERTY (this "Agreement") is made as of September 20, 2022, by **Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust dated June 18, 1999**, ("Owner"), in favor of the **City of Manhattan Beach**, a municipal corporation (the "City").

1. **IRREVOCABLE OFFER OF DEDICATION.** Owner hereby represents and warrants that it is the sole owner of the property described on Exhibit "A" and depicted on Exhibit "B" (the "Property") and that such property is not encumbered by any deeds of trust or other liens (except for liens for property taxes and assessments not yet due), and makes an irrevocable offer (the "Offer") to dedicate to City an easement (the "Easement") for public street and/or alley purposes, as applicable, over the Property.

a. **Term of Offer.** The term (the "Term") of the Offer shall commence on the date of recordation hereof, which date shall be the date the Offer is deemed filed for the purposes of Manhattan Beach Municipal Code Section 10-6-4. The Offer is irrevocable by Owner.

b. **Mode of Acceptance of Offer.** The Offer may be accepted by City any time by adoption of a Resolution of the City Council of the City accepting the dedication of the Easement (the "Resolution of Acceptance"). The Resolution of Acceptance will authorize the appropriate City official to execute an instrument (the "Acceptance") accepting the Offer in substantially the form attached hereto as Exhibit "C", which is incorporated herein by reference.

2. **COVENANTS.** Owner covenants, for itself, its successor and assigns, as follows:

a. **Removal of Encroachments.** To remove, at Owner's sole cost and expense, all improvements and fixtures upon the Property which the City Engineer reasonably determines will constitute encroachments onto the Easement upon City's acceptance of the Easement (the "Encroachments"). The removal shall be performed in accordance with the following:

(1) City shall give a written notice to Owner, which notice shall: (i) describe the Encroachments that must be removed; (ii) direct Owner to remove them; and (iii) specify the date by which the removal must be completed, which date shall be no less than sixty (60) days after the date the notice is given.

(2) The Owner shall remove the Encroachments by the date specified in the notice.

(3) In the event Owner shall fail to remove the Encroachments by that date, or if Owner delays in the removal of the Encroachments such that the removal cannot practicably be completed by that date, City may immediately enter the Property and remove or cause the removal of the Encroachments at Owner's cost. Owner shall, immediately upon demand, reimburse City for City's actual costs incurred in removing the Encroachments.

b. **Construction of Improvements.** To install and complete to the satisfaction of the City Engineer any improvements that the City Engineer determines are required to effectuate the purpose of the Easement.

3. **Covenants Run With the Land.** The covenants made in this Agreement and the Offer shall run with the land and shall burden the Property for the benefit of City. The covenants and the Offer shall inure to the benefit of, or bind, as the case may require, the respective heirs, representatives, successors and assigns of City and Owner. Owner authorizes City to record this Agreement in Official Records of the Recorder's Office of the County of Los Angeles.

4. **Limitation on City Liability and Indemnification.**

a. Owner and City agree that City shall have no liability with respect to the Property or the Easement, whether resulting from the maintenance or failure to maintain same or otherwise, and shall not assume any responsibility for the Property or the Easement or any improvements or fixtures thereon or therein, unless and until both of the following occur:

(1) City adopts the Resolution of Acceptance; and

(2) The removal of all Encroachments and the construction of all Improvements have been completed to the satisfaction of the City Engineer.

b. Owner agrees to continue to maintain the Property and assume all liability for the condition of the Property until both of the conditions set forth in Section 4(a) have occurred. Owner agrees to indemnify, hold harmless, protect and defend City, its Council, and each member thereof, directors, officers, agents, employees and attorneys, from all claims, causes of action, suits, damages or other liabilities occurring in, on or about the Easement and/or the Property until both of the conditions set forth in Section 4(a) have occurred.

5. **Address for Notices.** Any notices, demands or communications under this Agreement shall be given as follows:



To Owner: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

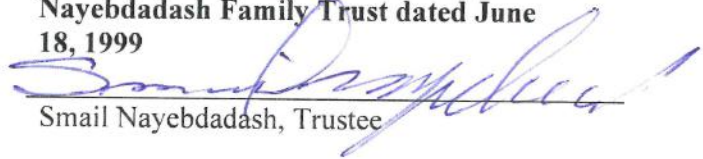
To City: City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Attn: City Engineer

Written notices, demands and communications between City and Owner shall be sufficiently given by personal service or dispatched by first class mail, postage prepaid, return receipt requested, to the addresses set forth above. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section. Notwithstanding anything to the contrary contained herein, notice personally served shall be presumed to have been received as of the date of such service, and notices sent via mail as provided herein shall be presumed to have been received on the second business day after deposit of same in the mail.

IN WITNESS WHEREOF, Owner has executed this Agreement as of the date first written above.

**GRANTOR: Smail Nayebdadash and  
Nadi Nayebdadash, as Trustees of The  
Nayebdadash Family Trust dated June  
18, 1999**

Dated: 9/20/2022

  
Smail Nayebdadash, Trustee

Dated: 9/20/2022

Nadi Nayebdadash  
Nadi Nayebdadash, Trustee

**Approved as to Form:**

**Approved as to Content:**

\_\_\_\_\_  
Quinn M. Barrow  
City Attorney

\_\_\_\_\_  
Katherine Doherty  
City Engineer

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

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

**STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

On September 20, 2022 before me, Stacy R. Straus, Notary Public, personally appeared Smail Nayebdadash and Nadi Nayebdadash who proved to me on the basis of satisfactory evidence to be the person(s) whose name ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ ~~she~~ ~~they~~ executed the same in his/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

  
(Signature of officer)

(Seal)

Stacy R. Straus, Notary Public - California  
Los Angeles County  
Commission # 2282582  
Commission expires on: March 24, 2023

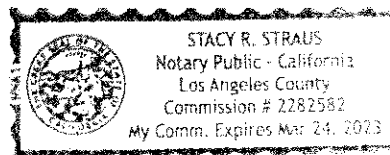


Exhibit "A"

Description of Dedication Area

**EXHIBIT "A"**  
LEGAL DESCRIPTION

BEING A PORTION OF LOTS 12 AND 15 IN BLOCK 2 OF TRACT NO. 142, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13 PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. FURTHER DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 15, SAID POINT ALSO BEING ON THE EASTERLY RIGHT-OF-WAY OF SEPULVEDA BOULEVARD HAVING A HALF WIDTH OF 50.00 FEET WIDE;

THENCE NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE NORTH 00°01'45" EAST 69.98 FEET, TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING NORTHERLY ALONG SAID RIGHT-OF-WAY LINE NORTH 00°01'45" EAST 140.26 FEET;

THENCE LEAVING SAID RIGHT-OF-WAY LINE, NORTH 45°08'04" EAST 14.12 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF MANHATTAN BEACH BOULEVARD, HAVING A HALF WIDTH OF 50.00 FEET;

THENCE EASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE SOUTH 89°45'37" EAST 26.92 FEET;

THENCE LEAVING SAID RIGHT-OF-WAY LINE SOUTH 49°20'01" WEST 35.51 FEET, TO A POINT ON A LINE PARALLEL TO AND EASTERLY 10.00 FEET FROM THE EASTERLY RIGHT-OF-WAY LINE OF SAID SEPULVEDA BOULEVARD;

THENCE SOUTHERLY ALONG SAID PARALLEL LINE SOUTH 00°01'45" WEST 127.02 FEET;

THENCE LEAVING SAID PARALLEL LINE NORTH 89°41'57" WEST 10.00 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINING 1,765.6 SQUARE FEET MORE OR LESS

SUBJECT TO EASEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, RIGHTS, RIGHTS OF WAY, AND OTHER MATTERS OF RECORD, IF ANY.


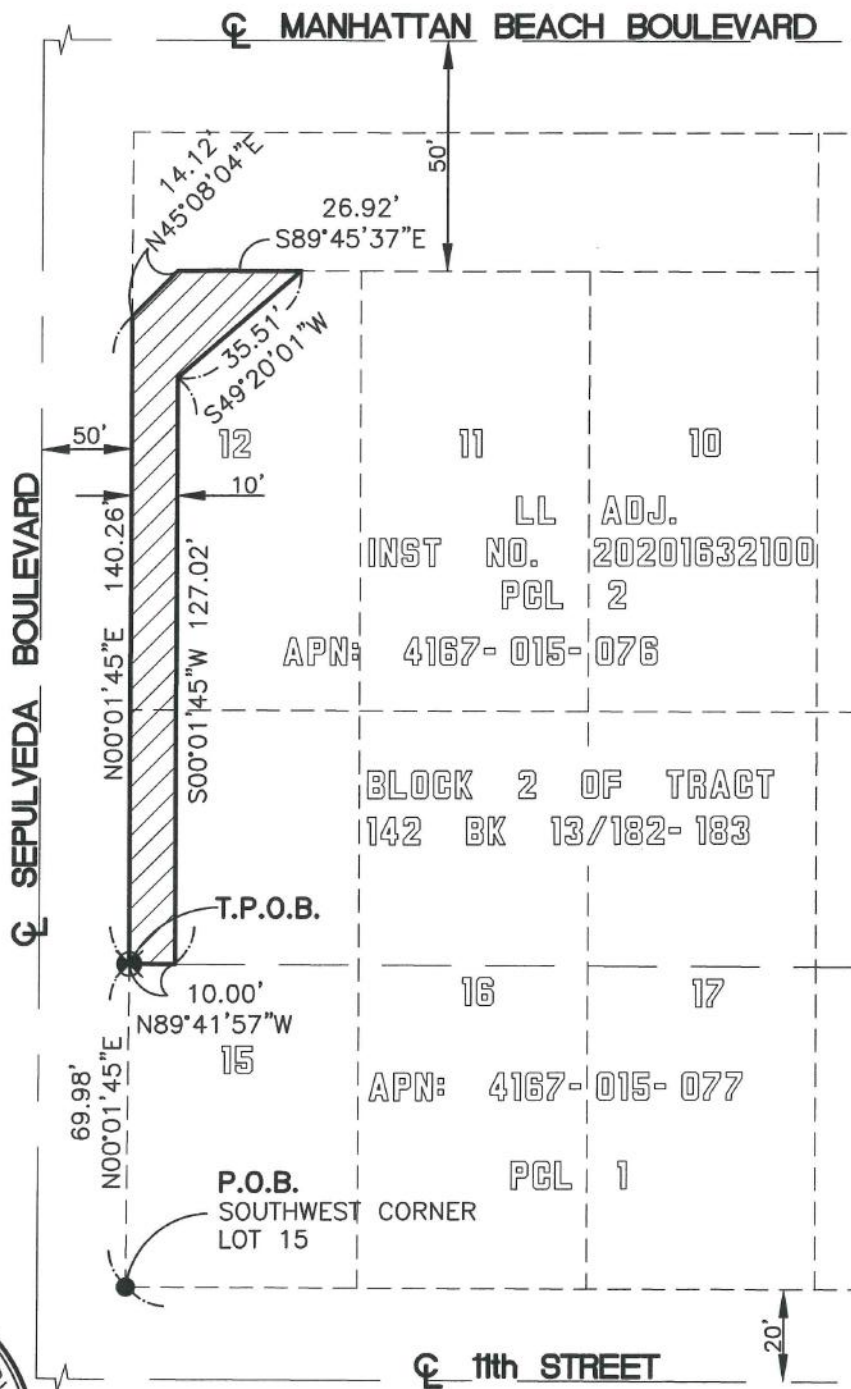
  
DAVID R. CHAPIN PLS 6761 9-23-22 DATE




Exhibit "B"

Depiction of Dedication Area

SCALE : 1" = 40'



**P.O.B.** = POINT OF BEGINNING  
**T.P.O.B.** = TRUE POINT OF BEGINNING

 AREA OF DEDICATION CONTAINING 1,765.6 SQFT, MORE OR LESS

## STREET DEDICATION PLAT - EXHIBIT 'B'

**DC ENGINEERING, INC.**  
 1150 NORTH RICHFIELD ROAD, SUITE B  
 ANAHEIM, CA 92807  
 PHONE : (714) 779-3828

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=40'

DRAWN BY: JDF DATE: 08/08/2022

SUBJECT: STREET DEDICATION

Exhibit "C"

Form of Acceptance of Offer

Recording Requested by  
and when recorded return to:

CITY OF MANHATTAN BEACH  
455 N. Rexford Drive  
Manhattan Beach, CA 90210  
Attn: City Clerk

Exempt from recording fees pursuant to G.C. §6103  
Exempt from Documentary Transfer Taxes pursuant to R & T Code §11922

ACCEPTANCE OF DEDICATION OF EASEMENT

The CITY OF MANHATTAN BEACH, a municipal corporation ("Grantee"), hereby accepts the offer (the "Offer") of dedication of easement (the "Easement") made by **Smail Nayebdadash and Nadi Nayebdadash, as Trustees of The Nayebdadash Family Trust dated June 18, 1999** ("Grantor") in that certain Agreement Containing Irrevocable Offer of Dedication and Covenants Concerning Real Property (the "Agreement") by and between Grantor and Grantee dated as of \_\_\_\_\_, 2022, and recorded in Official Records of the Recorder's Office for the County of Los Angeles on \_\_\_\_\_, 2022 as Instrument No. \_\_\_\_\_.

The Easement is an easement for public street and/or alley purposes over that certain real property located in the City of Manhattan Beach, County of Los Angeles, State of California, described on Exhibit "A", attached hereto and incorporated herein by reference.

The Offer and this Acceptance of Dedication of Easement arises from and is made pursuant to the Agreement.

The undersigned was authorized to execute and record this Acceptance of Dedication of Easement on behalf of Grantee pursuant to resolution of the City Council of Grantee adopted on \_\_\_\_\_, 2022.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date set forth below.

**"Grantee":**

CITY OF MANHATTAN BEACH, a municipal corporation

By: [EXHIBIT ONLY]

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2022

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

State of California )  
County of Los Angeles )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

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



**RECORDING REQUESTED BY,  
AND WHEN RECORDED RETURN TO:**

City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Attn: City Clerk

APN: 4167-015-076

[SPACE ABOVE FOR RECORDER'S USE ONLY]

**TEMPORARY CONSTRUCTION EASEMENT DEED**

This transfer is exempt from Documentary Transfer Tax as a conveyance for no consideration, and is exempt from Recording Fees pursuant to California Government Code Section 6103.

**Smail Nayebdadash and Nadi Nayebdadash, as Trustees of the Nayebdadash Family Trust, Dated June 18, 1999**, hereinafter referred to as "GRANTOR," is the owner of, and Kinecta Federal Credit Union, a Federally Chartered Credit Union currently leases "LESSEE", that real property in the City of Manhattan Beach, County of Los Angeles, State of California, on the property commonly known as 1120 N. Sepulveda Blvd., Manhattan Beach, CA 90266, identified as County Assessor's Parcel Number 4167-015-076 (hereinafter referred to as the "Property").

For a valuable consideration, receipt of which is hereby acknowledged, GRANTOR hereby grants to the City of Manhattan Beach, a municipal corporation in the County of Los Angeles, State of California, and its contractors, successors and assigns, referred to collectively as "GRANTEE", a thirty-six month Temporary Construction Easement for the Sepulveda Blvd. & Manhattan Beach Blvd. Project (Project) and to utilize said Temporary Construction Easement for all project related activities and purposes in, on, over, under, through, and across that certain parcel of land described and depicted in Exhibits "A" and "B", attached hereto and incorporated herein ("Temporary Construction Easement Area") and that LESSEE is aware of the intended use by the GRANTOR and approves all uses as described in this document.

Such use shall include the right to temporarily place equipment, materials and vehicles, and pile earth thereon during periods of active construction, and the right to conduct grading and pavement and curb restoration work and other related activities in conjunction with the construction of the Project. GRANTOR may jointly traverse the Temporary Construction Easement Area for ingress and egress purposes whenever clear and safe access routes are available. GRANTOR acknowledges herein that there will be some access delays and obstructions within the Temporary Construction Easement Area from time to time as Project construction work is underway.

This Temporary Construction Easement shall be for a period not to exceed thirty-six (36) months, commencing upon the date the project receives right of way certification by Caltrans. This Temporary Construction Easement shall expire and all rights to the above-described property conveyed herein shall cease and terminate no later than Thirty-six (36) months after

Caltrans approves the right of way certification of this project. Such rights may also be terminated prior to the expiration of this period by City upon written notice to Grantor.

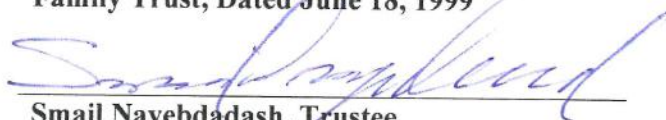
GRANTOR hereby warrants and represents that they are the sole owner of the Real Property upon which this Temporary Construction Easement is located, and that GRANTOR holds sufficient title in said property to fully grant to GRANTEE the Temporary Construction Easement described herein without conflict with any other interests.

This Grant of Temporary Construction Easement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns to the parties hereto. GRANTEE'S rights and obligations herein are assignable and transferable by GRANTEE, in whole or in part, to GRANTEE'S contractor(s), successors and assignees.

IN WITNESS WHEREOF, the undersigned GRANTOR has executed this Temporary Construction Easement Deed and approved by LESSEE as of the date set forth below. Signatures may be obtained and assembled in counterpart to complete the document.

**GRANTOR: Smail Nayebdadash and Nadi Nayebdadash, as Trustees of the Nayebdadash Family Trust, Dated June 18, 1999**

Dated: 9,20,2022

  
Smail Nayebdadash, Trustee

Dated: 9,20,2022

  
Nadi Nayebdadash, Trustee

**LESSEE: Kinecta Federal Credit Union, a Federally Chartered Credit Union**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Sign

\_\_\_\_\_  
Print

\_\_\_\_\_  
Title

*NOTARY ACKNOWLEDGEMENTS ATTACHED for all SIGNATURES*

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

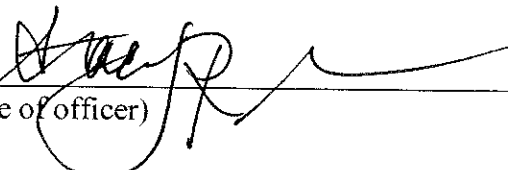
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

**STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

On September 20, 2022 before me, Stacy R. Straus, Notary Public, personally appeared Smail Nayebdadash and Nadi Nayebdadash who proved to me on the basis of satisfactory evidence to be the person(s) whose name is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~hers~~/their authorized capacity(ies), and that by his/~~hers~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

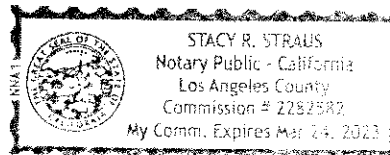
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
(Signature of officer)

(Seal)

Stacy R. Straus, Notary Public - California  
Los Angeles County  
Commission # 2282582  
Commission expires on: March 24, 2023



Caltrans approves the right of way certification of this project. Such rights may also be terminated prior to the expiration of this period by City upon written notice to Grantor.

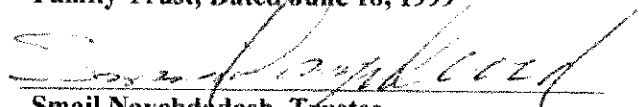
GRANTOR hereby warrants and represents that they are the sole owner of the Real Property upon which this Temporary Construction Easement is located, and that GRANTOR holds sufficient title in said property to fully grant to GRANTEE the Temporary Construction Easement described herein without conflict with any other interests.

This Grant of Temporary Construction Easement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns to the parties hereto. GRANTEE'S rights and obligations herein are assignable and transferable by GRANTEE, in whole or in part, to GRANTEE'S contractor(s), successors and assignees.

IN WITNESS WHEREOF, the undersigned GRANTOR has executed this Temporary Construction Easement Deed and approved by LESSEE as of the date set forth below. Signatures may be obtained and assembled in counterpart to complete the document.

**GRANTOR: Smail Nayebdadash and Nadi Nayebdadash, as Trustees of the Nayebdadash Family Trust, Dated June 18, 1999**

Dated: 9,20,2022

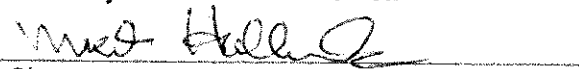
  
Smail Nayebdadash, Trustee

Dated: 9,20,2022

Nadi Nayebdadash  
Nadi Nayebdadash, Trustee

**LESSEE: Kinecta Federal Credit Union, a Federally Chartered Credit Union**

Dated: 9-28-2022

  
Sign

Mark Holbrook  
Print

SVP-CRO  
Title

*NOTARY ACKNOWLEDGEMENTS ATTACHED for all SIGNATURES*

**ACKNOWLEDGMENT**

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

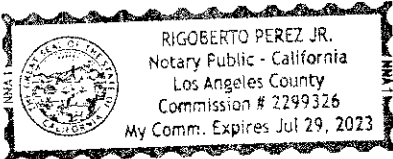
State of California  
County of Los Angeles

On September 28, 2022 before me, Rigoberto Perez Jr. Notary Public  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature]

(Seal)

**EXHIBIT 'A'**  
LEGAL DESCRIPTION

BEING A PORTION OF LOTS 12 AND 15 IN BLOCK 2 OF TRACT NO. 142, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13 PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. FURTHER DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 15, SAID POINT ALSO BEING ON THE EASTERLY RIGHT OF WAY OF SEPULVEDA BOULEVARD BEING 90 FEET WIDE;

THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID LOT 15 NORTH 00°01'45" EAST 69.98 FEET;

THENCE LEAVING SAID EASTERLY RIGHT-OF-WAY LINE SOUTH 89°41'57" EAST 10.00 FEET TO THE **TRUE POINT OF BEGINNING;**

THENCE NORTHERLY ALONG A LINE PARALLEL WITH AND 10 FEET EASTERLY OF SAID EASTERLY RIGHT-OF-WAY LINE NORTH 00°01'45" EAST 127.02 FEET;

THENCE LEAVING SAID PARALLEL LINE, NORTH 49°20'01" EAST 35.51 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF MANHATTAN BEACH BOULEVARD, HAVING A HALF WIDTH OF 50 FEET;


THENCE EASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY SOUTH 89°45'37" EAST 1.53 FEET;

THENCE LEAVING SAID RIGHT-OF-WAY SOUTH 49°20'01" WEST 36.20 FEET TO A POINT ON A LINE PARALLEL TO AND EASTERLY 11.00 FEET FROM THE EASTERLY RIGHT-OF-WAY LINE OF SAID SEPULVEDA BOULEVARD;

THENCE SOUTHERLY ALONG SAID PARALLEL LINE SOUTH 00°01'45" WEST 126.57 FEET;

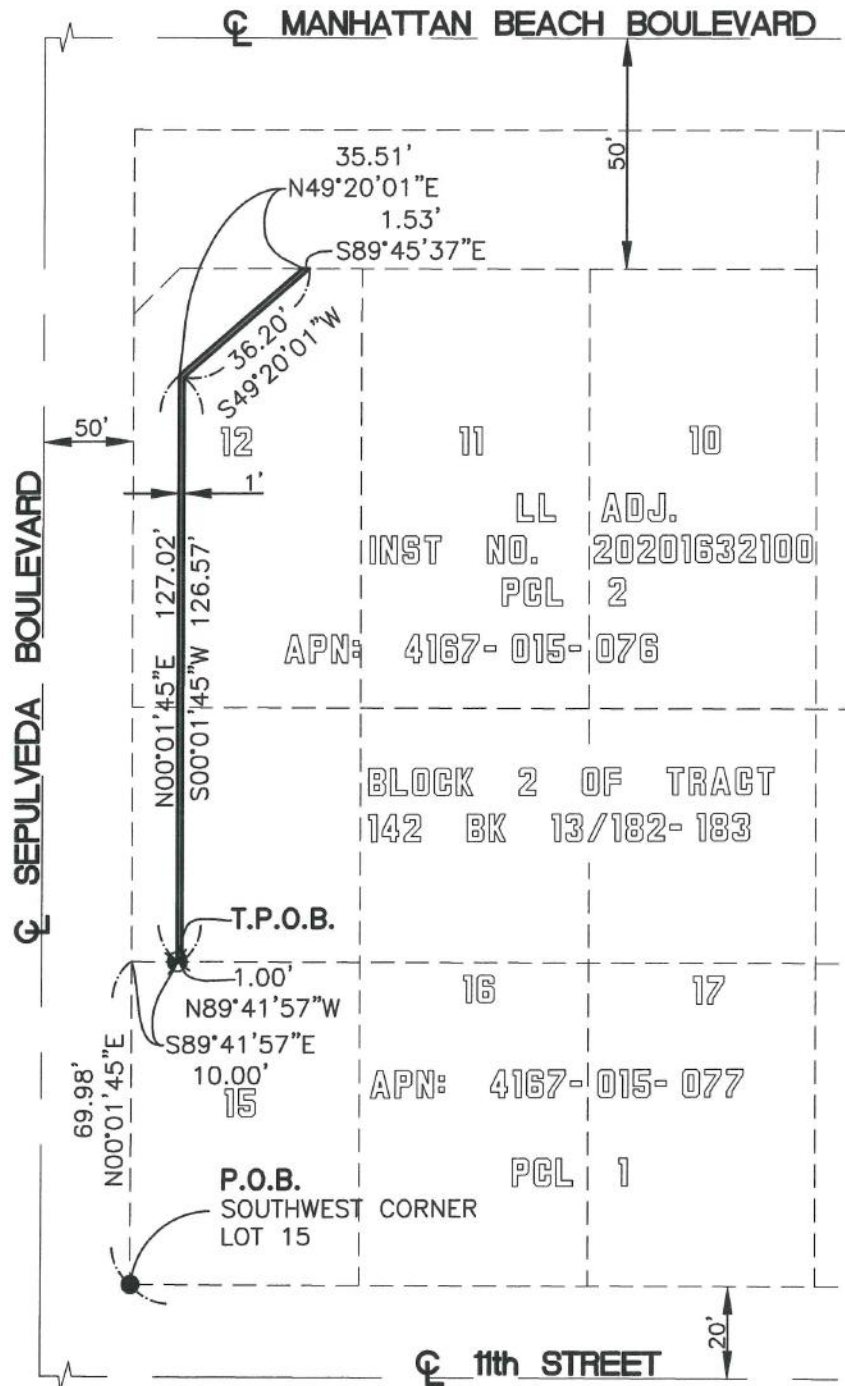
THENCE NORTH 89°41'57" WEST 1.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 162.7 SQUARE FEET, MORE OR LESS

  
DAVID R. CHAPIN      9-23-22      DATE  
PLS 6761



SCALE : 1"=40'



AREA OF DEDICATION CONTAINING 162.7 SQFT, MORE OR LESS

## TEMPORARY CONSTRUCTION EASEMENT PLAT - EXHIBIT 'B'

**DC ENGINEERING, INC.**

1150 NORTH RICHFIELD ROAD, SUITE B  
ANAHEIM, CA 92807  
PHONE : (714) 779-3828

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 1

SCALE: 1"=40'

DRAWN BY: JDF DATE: 08/08/2022

SUBJECT: TEMP. CONS. EASEMENT



RESOLUTION NO. 6122

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH APPROVING A USE PERMIT, ALCOHOL BEVERAGE LICENSE, VARIANCE FROM MAXIMUM ALLOWABLE BUILDING HEIGHT AND AN INITIAL STUDY AND NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACTS, FOR A PROPOSED RITE AID RETAIL PHARMACY AT 1100 MANHATTAN BEACH BOULEVARD

THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council of the City of Manhattan Beach hereby makes the following findings:

- A. The Planning Commission of the City of Manhattan Beach conducted public hearings pursuant to applicable law on November 28, 2007 and December 12, 2007, to consider applications for a Use Permit; Alcohol Beverage License and Variance from maximum allowable building height, to allow construction of a 13,370 square foot Rite Aid pharmacy; for the property legally described as (Parcel 1), that portion of Lots 15, 16, 17 and 18, Block 2, Tract 142; (Parcel 2) a non-exclusive easement for ingress and egress over that portion of Lot 15, Block 2 of Tract 142, and (Parcel 3) that portion of Lots 9, 10, 11, 12, 15, 16, 17 and 18 in Block 2, Tract No. 142., at 1100 Manhattan Beach Boulevard in the City of Manhattan Beach.
- B. At the December 12, 2007 Planning Commission meeting, the Commission voted (3-1-0) to deny the subject applications.
- C. The applicant is RHL Design Group, Inc.
- D. On December 21, 2007, the applicant filed an appeal of the decision of the Planning Commission denying the subject request.
- E. The City Council conducted a public hearing and received public testimony on these matters on February 5, 2008.
- F. The proposed use is permitted in the CG (General Commercial) Zone subject to a Use Permit approval as the project exceeds 5,000 square feet of buildable floor area; is greater than 10,000 square feet of land area; requests an alcohol beverage license and a Variance is required to exceed the maximum allowable building height.
- G. An Initial Study was prepared in compliance with the provisions of the California Environmental Quality Act (CEQA). Based upon this study it was determined that the project is not an action involving any significant impacts upon the environment, and a Negative Declaration was prepared and is hereby adopted.
- H. The project will not individually nor cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish and Game Code.
- I. The City Council made the following findings with respect to this application:
  1. The project consists of 13,370 square feet of retail area including 1,000 square feet of mezzanine storage/utility area.
  2. The project is located in Area District I and is zoned (CG) General Commercial. The use is permitted by the zoning code and is appropriate as conditioned for the general commercial area. The properties to the north, east and west are similarly zoned; the properties to the south are zoned (CG) General Commercial and Residential Medium Density. The property is located on the southeast corner of Manhattan Beach Boulevard and Sepulveda Boulevard.



3. The General Plan designation for the properties is General Commercial. The General Plan encourages commercial development such as this that provides for businesses which serve city residents.
4. The subject site is the combination of two parcels and as a result contains severe grade changes. These include: 12.37' of drop from the N/W corner to the S/W corner; 19.25' of drop from the N/W corner to the S/E corner, and 16.41' feet of drop from the N/E corner to the S/E corner.

*Use Permit*

1. The proposed project is located within the (CG) General Commercial district. The subject proposal would replace an existing 1,736 square foot gas station (Manhattan Beach Fuel) with three service bays and surface parking on the north end of the property, and a 8,638 square foot commercial retail/office/personal service building (Mr. D's Liquor Mart, General Office Uses, Peak Fitness) at the south end of the property. The proposed retail use is in accord with the objectives of this title, and the purpose of the district in which it is located since the project is a commercial zone consistent with Section 10.16.010 of the Manhattan Beach Zoning Code which states that the district is intended to provide opportunities for commercial retail uses for a full range of retail and service businesses. With the exception of the proposed building height, the subject proposal would be in compliance with all applicable regulations as detailed in the staff report.

2. The proposed retail use poses no detrimental effects to the public health, safety, or welfare of persons residing or working on the proposed project site, or to the adjacent neighborhood; and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the city as the site continues to operate as a commercial use. The new use is intended to provide a better variety of services to the community.

The proposed location of the use and the proposed conditions under which it will be operated or maintained is consistent with the General Plan, since the project site is classified as General Commercial which allows for a full range of retail and service businesses.

The General Plan of the City of Manhattan Beach poses certain goals and policies, which reflect the expectations and wishes of the City, with respect to land uses. Specifically, the project is consistent with the following Goals of the General Plan as summarized below:

*Goal LU-1.2: Encourage the use of notches, open space, setbacks, landscaping, or other architectural details to reduce building bulk.*

*Goal LU-2.1: Encourage landscaping standards for commercial areas.*

*Goal LU-3.1: Encourage quality design in all new construction.*

*Goal LU-3.2: Encourage the use of Sepulveda Boulevard Corridor Guidelines.*

*Goal LU-6.2: Encourage a diverse mix of businesses that support the local tax base, are beneficial to residents, and support the economic needs of the community.*

*Goal LU-8.1: Ensure that applicable zoning regulations allow for commercial uses that serve a broad market area, including visitor-serving uses.*

3. The proposed retail use will be in compliance with applicable provisions of the (CG) General Commercial zone.
4. The proposed change in use from a service station/retail store/fitness studio/office uses will not adversely impact nearby properties due to landscaping, screening, setbacks, and the site design and layout of the parking, access and circulation, loading and trash, as well as the conditions of approval. It is not anticipated that the proposed retail use

1 will exceed the capacity of public services and facilities. Minor comments from the  
 2 Building Division, Fire Department, Police Department, Engineering and Public Works  
 Department will be addressed during regular plan check.

3 J. The project shall be in compliance with following Sepulveda Corridor Design Guideline Goals:

- 4 • Establish standards for low-rise commercial arterial development such as retail/office uses.
- 5 • Site and building design should focus and relate to the street and create a more attractive,  
 6 comfortable and interesting environment for the Boulevard.
- 7 • Visually less desirable elements such as large parking areas, parking structures, vehicle service  
 areas, blank walls, storage areas, and trash areas should be hidden or made less prominent  
 8 along Sepulveda Boulevard.
- 9 • The building design should take into consideration extreme noise, and odor generating activities  
 near residential boundaries.
- 10 • Safe pedestrian access to buildings should be provided through parking lots, particularly from  
 public sidewalks.
- 11 • Landscaping should enhance the property with the following: 1) install landscaping in areas that  
 would otherwise be unused pavement, and 2) use landscape planters and other decorative  
 treatments around buildings to avoid direct building-to-asphalt contact areas.
- 12 • Proposed signs and sign copy should be compatible with their related building(s) and not be  
 crowded within their locations or backgrounds. Harsh plastic or illuminated backgrounds should  
 be avoided.

13 Additionally, the project will satisfy the Sepulveda Corridor requirements for the following reasons:

- 14 • The proposed structure and it's location is designed to create minimal bulk and impact on the  
 neighboring residential area to the southeast by providing adequate open space for light, air and  
 fire safety through increased setbacks and innovative building design.
- 15 • The proposed project includes convenient off-street parking facility which is enhanced by an  
 effective on-site traffic circulation system.
- 16 • The efficiently designed parking areas are comprised mostly of full size parking spaces (except  
 17 10-compact spaces which are 8.5-foot wide and 15-feet in length and located at the rear of the  
 building), which provides ample parking and excellent vehicular flow that minimizes impact to the  
 residential neighborhood to the southeast. Additionally the project does not propose any  
 egress/ingress driveway on 11<sup>th</sup> Street which alleviates noise, traffic and circulation concerns to  
 the residential neighborhood.

18 *Variance*

19 K. A variance from maximum allowable building height, MBMC Section 10.60.050, is approved based  
 20 on the following facts and findings per MBMC Section 10.84.060 (B):

- 21 1. Because of special circumstances or conditions applicable to the subject property including  
 22 narrowness and hollowness or shape, exceptional topography, or the extraordinary or  
 exceptional situations or conditions, strict application of the requirements of this title would  
 23 result in peculiar and exceptional difficulties to, or exceptional and/or undue hardship upon  
 the owner of the property. The exceptional change in topography, shape and size of lot,  
 24 height methodology which is based on the four-corner elevation of the property, and the  
 Sepulveda Boulevard Guidelines, which recommends the placement of building towards the  
 front of the property which is the highest elevation, poses strict constraints on meeting the  
 maximum allowable building height.
- 25 2. The relief may be granted without substantial detriment to the public good; without  
 26 substantial impairment of affected natural resources; and not be detrimental or injurious to  
 property or improvements in the vicinity of the development site, or to the public health,  
 27 safety or general welfare, since the height requirement would severely restrict the site from  
 being developed with a commercial use with the building location at the front in conformance  
 28 with the Sepulveda Boulevard Guidelines.

3. Granting the application is consistent with the purposes of this title and will not constitute a grant of special privilege inconsistent with limitations on other properties in the vicinity and in the same zoning district and area district, since the proposed building height will be in scale and compatible with the surrounding buildings.
- L. The project shall be in compliance with applicable provisions of the Manhattan Beach Municipal Code.
- M. This Resolution upon its effectiveness constitutes the Use Permit, Variance and CEQA approvals and the for the subject project.

SECTION 2. The City Council of the City of Manhattan Beach hereby APPROVES the subject Use Permit and Variance applications and Negative Declaration subject to the following conditions:

Site Preparation/Construction

1. The project shall be constructed and operated in substantial conformance with the submitted plans and project description submitted to, and approved by the Planning Commission on December 12, 2007. Any other substantial deviation from the approved plans must be reviewed and approved by the Planning Commission. Caltrans approval is required prior to the issuance of a building permit.
2. The façade of the southerly wall shall be redesigned to reduce the appearance of building mass subject to review and approved by the Planning Commission.
3. The project will provide 54 on-site parking spaces which includes; 3 disabled parking spaces, 10 compact spaces (8.5' x 15'), and 41 standard spaces.
4. A Traffic Management Plan shall be submitted in conjunction with all construction and other building plans, to be approved by the Police and Public Works Departments prior to issuance of building permits. The plan shall provide for the management of all construction related traffic during all phases of construction, including delivery of materials and parking of construction related vehicles.
5. All electrical, telephone, cable television system, and similar service wires and cables shall be installed underground to the appropriate utility connections in compliance with all applicable Building and Electrical Codes, safety regulations, and orders, rules of the Public Utilities Commission, the serving utility company, and specification of the Public Works Department.
6. During construction of the site, the soil shall be watered in order to minimize the impacts of dust on the surrounding area.
7. The siting of construction related equipment (job site offices, trailers, materials, etc) shall be subject to the approval from the Director of Community Development prior to the issuance of any building permits.
8. A site landscaping plan utilizing drought tolerant native plants shall be submitted for review and approval concurrent with the building permit application. All plants shall be identified on the plan by the Latin and common names. Mature shade trees shall be incorporated into the plan. Landscaping shall be installed per the approved plans prior to building final.
9. A low pressure, low-flow or drip irrigation system shall be installed in the landscaped areas, which shall not cause any surface run-off. Details of the irrigation system shall be noted on the landscape plans. The type and design shall be subject to the approval of the Public Works and Community Development Departments and shall be installed per the approved plans prior to the building final.
10. A covered enclosure(s) with adequate capacity for both trash and recycling for all tenants shall be constructed for this site. This trash enclosure must be constructed with a

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concrete, asphalt, or similar base and must have drainage to the sanitary sewer system. The enclosure is subject to specifications and approval of the Public Works Department, Community Development Department, and the City's waste contractor. A trash and recycling plan shall be required to be submitted to the Public Works Department.

- 11. Commercial establishments are required, in accordance with Municipal Code 5.24.030 (C)(2) to have a sufficient refuse and recycling storage space to enclose a commercial lift container(s). The refuse storage space or facility must be screened from public view and be either constructed within the building structure or in a screened enclosure on private property.
- 12. Management of the retail use shall police the property and all areas immediately adjacent to the business during the hours of operation to keep it free of litter.
- 13. The operator of the pharmacy shall provide adequate management and supervisory techniques to prevent loitering and other security concerns outside the subject business.
- 14. The property owner(s) shall be responsible for prohibiting employees from parking personal vehicles on the surrounding public streets. Owners and employees must park on-site while visiting the site.
- 15. Proposed monument signs on Manhattan Beach Boulevard and Sepulveda Boulevard shall not be located within the sight visibility triangles for either driveway.
- 16. All signs shall be in compliance with the Sign Code. A comprehensive sign program must be submitted to the Community Development Department for review and approval prior to the issuance of a building permit.
- 17. The applicant shall submit a lighting and photometric plan which shows the location of the proposed light pole and maximum foot candles to the Department of Community Development prior to the issuance of a building permit. These plans shall be in compliance with all provisions of the parking lot lighting regulations. Due the proximity of the proposed project to the residential properties to the southeast, the maximum pole heights shall not exceed 20 feet. Security lighting for the site shall be provided in conformance with Municipal Code requirements including glare prevention design.
- 18. The hours of operation for the proposed retail use shall be as follows:
  - 7:00 a.m. – 10:00 p.m. Seven days a week
  - 7:00 a.m. – 10:00 p.m. Alcohol Beverage sales
- 19. Deliveries shall be prohibited between the hours of 7:00 p.m. and 7:00 a.m.
- 20. All mechanical equipment visually on the building roof shall not be visible from the public right-of-way and visual screening shall be provided. Antenna dishes or similar items shall be restricted to the same requirements. The building roof shall have a gravel or comparable decorative treatment.
- 21. Plans shall incorporate sustainable building components into the building and site design. The plans may include, but not limited to LEED (Leadership in Energy and Environmental Design) and Built-it-Green components, permeable pavement, energy efficient plumbing, mechanical and electrical systems, and retention of storm water on the site. Plans shall require review and approval by the Community Development Department and Public Works Department.

Parking Related Conditions

- 22. Slopes and transitions for all vehicle ramps shall not exceed 15 percent grade and shall conform to City standards, subject to City review and approval. All ramps over 8 percent grade must include transition slopes at the beginning and end of the ramp and must meet

the required slope setbacks behind the property line. Show slopes and cross-sections on approved plans.

23. Parking stall cross-slope shall not exceed 5%.
24. All two-way driveways and approaches shall be as wide as the aisle it serves. Both driveway approaches for the project must be at least 25 feet wide and shall be constructed in alignment with parking aisles
25. All raised landscaping planters along the property frontages shall begin or end perpendicular to the lower portion of the drive wings.
26. Doors shall not exit directly onto a vehicle aisle or street without a landing.
27. Provide unobstructed triangle of sight visibility (5' x 15') adjacent to each driveway and behind the ultimate property line when exiting the parking areas without wall, columns or landscaping over 36 inches high (MBMC 10.64.150). All planters next to both driveways must conform to this requirement.
28. Provide a 25' unobstructed triangle of sight visibility on the northeast corners of Sepulveda Boulevard at Manhattan Beach Boulevard and at 11<sup>th</sup> Street behind the ultimate property line extensions without walls, columns or landscaping over 36 inches high, tree trunks accepted.
29. All parking spaces adjacent to an obstruction, except columns, must be at least one foot wider than a standard space.
30. Provide and identify the commercial loading area on site plan and label with approved signage.
31. Any compact spaces shall be labeled with a sign and a stencil marking at the back of each space.
32. Both driveways shall be restricted to Right Turn In/Right Turn Out and posted with signs as directed by the City Traffic Engineer and Caltrans.
33. Vehicle access to the property along 11<sup>th</sup> Street shall be prohibited.
34. All outside site lighting shall be directed away from the public right-of-way and shall minimize spill-over onto the sidewalk and street. Shields and directional lighting shall be used where necessary.
35. Bicycle parking shall be provided at a rate of five percent (5% - 3 spaces) of all parking spaces (MBMC 10.64.80). Location shall be shown on the plans subject to Planning review and approval.
36. A retaining walls along the parking lot shall be constructed with a pedestrian barrier or railing at least 36" high to prevent falling over the retaining wall.
37. An 8-foot dedication shall be provided along the entire length of Sepulveda Boulevard for the future widening of the right-of-way for an additional left-hand turn pocket for traffic traveling west onto Manhattan Beach Boulevard. In addition, the project is required to provide an additional corner cut-off dedication to accommodate a disabled access ramp, pedestrian access area and existing /future street furniture at the corner of Sepulveda Boulevard and Manhattan Beach Boulevard and Sepulveda Boulevard and 11<sup>th</sup> Street.
38. A disabled access ramp must be installed on the public sidewalk, See City Standard Plan ST-9. Ramp must be shown on plans.

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39. The developer shall provide a fair-share contribution towards the construction of the right-of-way to accommodate an additional left-hand turn pocket for traffic traveling northbound Sepulveda Boulevard to westbound Manhattan Beach Boulevard.

*Public Works Requirements*

40. This is a SUSMP project and an Operating and Maintenance Agreement Form regarding on-site storm water pollution BMP's and mitigation devices must be completed and submitted to the City before a building or grading permit is issued.

41. Required mop sinks must be installed and shown on the plumbing plans.

42. Commercial enterprises must comply with the National Pollution Discharge Elimination System (NPDES) clean water requirements. Discharge of mop water, floor mat washing, and trash can cleaning and washing out trash enclosures into the street or storm drain system is prohibited (MBMC Section 5.84.060, 5.84.090).

43. The sidewalk must be replaced from the north property line on Manhattan Beach Boulevard to the south property line on Sepulveda Boulevard and shown on the plans.

44. Weekly sweeping will be required for all parking areas.

45. Before the utility pole located at the south corner of the lot on Sepulveda Boulevard can be relocated, approval from the Parking and Public Improvement Commission and City Council and a building permit must be obtained.

46. Plan holder must have the plans rechecked and stamped for approval by the Public Works Department before the building permit is issued.

*Building Division*

47. Project shall comply with all Disabled Access regulations.

48. All work shall comply with all current California Building Codes which includes: California Electrical Code, Mechanical Code, Plumbing Code and Fire Code, at the time of submittal.

*Procedural*

49. *Interpretation.* Any questions of intent or interpretation of any condition will be resolved by the Planning Commission.

50. *Terms and Conditions are Perpetual.* These terms and conditions shall be perpetual, and it is the intention of the Director of Community Development and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

51. *Effective Date.* This Resolution shall become effective when all time limits for appeal as set forth in MBCM Section 10.100.030 have expired.

52. This Use Permit shall lapse two years after its date of approval, unless implemented or extended pursuant to 10.84.090 of the Municipal Code.

53. At any time in the future, the Planning Commission or City Council may review the Use Permit for the purposes of revocation or modification. Modification may consist of conditions deemed reasonable to mitigate or alleviate impacts to adjacent land uses.

54. The applicant agrees, as a condition of approval of this project, to pay for all reasonable legal and expert fees and expenses of the City of Manhattan Beach, in defending any legal actions associated with the approval of this project brought against the City. In the event such a legal action is filed against the project, the City shall estimate its expenses for the

litigation. Applicant shall deposit said amount with the City or enter into an agreement with the City to pay such expenses as they become due.


SECTION 3. Pursuant to Government Code Section 65009 and Code of Civil Procedure Section 1094.6, any action or proceeding to attack, review, set aside, void or annul this decision, or concerning any of the proceedings, acts, or determinations taken, done or made prior to such decision or to determine the reasonableness, legality or validity of any condition attached to this decision shall not be maintained by any person unless the action or proceeding is commenced within 90 days of the date of this resolution and the City Council is served within 120 days of the date of this resolution. The City Clerk shall send a certified copy of this resolution to the applicant, and if any, the appellant at the address of said person set forth in the record of the proceedings and such mailing shall constitute the notice required by Code of Civil Procedure Section 1094.6.

SECTION 4. This resolution shall take effect immediately. The City Clerk shall make this resolution readily available for public inspection within thirty (30) days of the date this resolution is adopted.

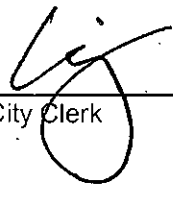
SECTION 5. The City Clerk shall certify to the adoption of this resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED and ADOPTED this 5<sup>th</sup> day of February, 2008.

Ayes: Cohen, Tell, Montgomery and Mayor Aldinger.  
Noes: Ward.  
Absent: None.  
Abstain: None.

  
\_\_\_\_\_  
Mayor, City of Manhattan Beach, California

ATTEST:


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

1 STATE OF CALIFORNIA )  
2 COUNTY OF LOS ANGELES ) SS.  
3 CITY OF MANHATTAN BEACH )  
4

5 I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, do  
6 hereby certify that the whole number of members of the City Council of said City is five; that  
7 the foregoing resolution, being Resolution No. 6122 duly and regularly introduced before and  
8 adopted by the City Council of said City at a regular meeting of said Council, duly and  
9 regularly held on the 5<sup>th</sup> day of February, 2008 and that the same was so passed and adopted by  
10 the following vote, to wit:  
11

12 Ayes: Cohen, Tell, Montgomery and Mayor Aldinger.  
13 Noes: Ward.  
14 Absent: None.  
15 Abstain: None.

16 IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the  
17 official seal of said City this 14<sup>th</sup> day of February, 2008.

18   
19 \_\_\_\_\_  
20 City Clerk of the City of  
21 Manhattan Beach, California

22 (SEAL)  
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**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Quinn M. Barrow, City Attorney

Talyn Mirzakhania, Acting Community Development Director

**SUBJECT:**

Urgency Ordinance No. 23-0001-U:

An Interim Ordinance Of The City Of Manhattan Beach Extending Urgency Ordinance No. 22-0002-U, Which Amended The Manhattan Beach Municipal Code To Clarify Provisions For The Preservation Of Historic Resources (Acting Community Development Director Mirzakhania).

**(Estimated Time: 15 Mins.)**

**A) CONDUCT PUBLIC HEARING**

**B) ADOPT URGENCY ORDINANCE NO. 23-0001-U EXTENDING THE INTERIM ZONING ORDINANCE FOR A MAXIMUM OF ONE YEAR**

---

**RECOMMENDATION:**

Staff recommends that the City Council adopt Urgency Ordinance No. 23-0001-U extending Interim Ordinance No. 22-0002-U that clarified provisions for the preservation of historic resources in the existing Historic Preservation Ordinance.

**FISCAL IMPLICATIONS:**

There is no direct fiscal impact associated with the adoption of the attached Ordinance No. 23-0001-U. As the recommended action is an interim zoning ordinance, the City will need to review and update the existing Ordinance to ensure consistency with the City's intended historic preservation goals. This will incur costs associated with staff time.

**BACKGROUND:**

At the November 2, 2021, City Council meeting, the City Council requested a discussion the City's existing historic preservation ordinance, seeking clarity as to portions of the ordinance that were subject to property owner consent. On December 7, 2021, the City Council conducted a discussion of the existing historical preservation ordinance and found that the ordinance text

differs from the intended policy direction during the 2016 adoption. The City Council confirmed that the intended policy direction was for the ordinance requirements to be voluntary, and directed staff to take action(s) to amend the ordinance. Staff reviewed the ordinance and determined that minor changes can be made immediately to narrow the broad applicability of the Certificate of Appropriateness, environmental review, and 60-day waiting period for demolition.

On January 18, 2022, the City Council adopted Interim Ordinance No. 22-0002-U (Attachment) to clarify provisions for the preservation of historic resources in the existing Historic Preservation Ordinance. The Interim Ordinance had a term of 45 days, with an initial expiration date of March 4, 2022. On March 1, 2022, the City Council adopted Urgency Ordinance 22-0004-U to extend the Interim Ordinance, without change, for 10 months and 15 days to January 17, 2023. State law allows for the Interim Ordinance to be extended for one additional year. Given numerous competing priorities during calendar year 2022, staff has not been able to undertake the effort to study and revise the historic preservation ordinance. Therefore, staff is proposing an extension of the Interim Ordinance, without any change to the interim regulations adopted by the Council last January (and re-adopted in March 2022), for one additional year to January 16, 2024.

Government Code Section 65858(d) requires that 10 days prior to the expiration or extension of any interim zoning ordinance, the City Council issue a written report describing the measures taken to alleviate the condition which led to the adoption of the ordinance. The Council issued the report on December 20, 2022. The City Council must consider extensions for the Interim Ordinance at a public hearing.

#### **DISCUSSION:**

The draft Ordinance would extend the Interim Ordinances, without any revisions. Ordinance No. 22-0002-U (as previously extended by Ordinance No. 22-0004-U) temporarily narrowed the applicability for Certificates of Appropriateness, 60-day waiting period for demolition, and environmental review to historical landmarks and contributing resources to historic districts. The key provisions of Interim Ordinance No. 22-0002-U are:

##### **1) Definition of C of A (Section 10.86.030)**

C of As are defined as “the permit granted on the finding by the Planning Commission or Director that an application to demolish, alter, or relocate a historic resource as defined by this chapter is in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties and other applicable criteria as provided in this chapter.” By changing “historic resource” to “historic landmark or contributing resource”, this would change the applicability to only properties designated as a historic landmark (which requires property owner consent) or those that are a contributing resource to a historic district.

##### **2) Requirements for C of As (Section 10.86.150)**

Subsection A of Section 10.86.150 includes general C of A requirements for historic landmarks and contributing resources. The section includes a specific prohibition of any demolition of a historic resource included in the Inventory of Historic resources unless the City first issues a C of A. Deleting this prohibition is necessary to ensure internal

consistency.

**3) Findings for C of As (Section 10.86.170)**

The Ordinance includes findings that must be met in order for a decision body to approve C of A. To ensure internal consistency, a corresponding change is needed in the findings section to indicate that the finding applies not to “historic resource” but to “historic landmark or contributing resource.”

**4) Sixty-day Waiting Period for Demolition (10.86.190)**

This section indicates that “Applications for a Certificate of Appropriateness for demolition of a historic resource” are subject to a sixty-day waiting period, during which the City would post notices and explore alternatives to demolition. By changing “historic resource” to “historic landmark or contributing resource”, this would change the applicability to only properties designated as a historic landmark (which requires property owner consent) or those that are a contributing resource to a historic district.

Staff anticipates that two to three properties per month are potentially affected by the requirements in the current Ordinance, the most notable cases being proposed demolitions. Over half of the City’s housing stock is over 45 years of age (built prior to 1977), rendering them as potentially eligible as a historic resource. As such, the potential for the Ordinance to affect even a handful of properties on a regular basis is considerable. Given this, staff has presented these interim measures to be adopted as an urgency ordinance. During the past year, staff has not received any concerns regarding the revised provisions in the interim ordinance. The extension of the interim zoning ordinance prevents unintended consequences of relying solely on the ordinance text as written in the underlying existing historic preservation ordinance.

Four Councilmember votes in favor are required for an urgency ordinance. If adopted, the interim zoning ordinance would be extended to a maximum of January 17, 2024. After public hearings, the interim zoning ordinance may be extended twice: (1) for a maximum of 10 months and 15 days (which occurred in March 2022); and (2) a second time not to exceed one year. This would constitute the second extension. In total, an interim zoning ordinance cannot exceed two years.

**PUBLIC OUTREACH:**

A public hearing notice was published in the Beach Reporter on December 29, 2022. Future Planning Commission and City Council public hearings for the Zoning Code Amendments will also be noticed.

**ENVIRONMENTAL REVIEW:**

This Ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines, and the environmental regulations of the City. The City Council hereby finds and determines that the Ordinance is exempt from the CEQA pursuant to Government Code Section 65852.21(j). Furthermore, this Ordinance is exempt from CEQA based on the following reasons. This Ordinance is not a project within the meaning of Section 15378 of the State CEQA Guidelines, because it has no potential for resulting in physical change in the environment, directly or ultimately. This Ordinance is categorically exempt from CEQA under Section 15308 of the

CEQA Guidelines as a regulatory action taken by the City pursuant to its police power and in accordance with Government Code Section 65858 to assure maintenance and protection of the environment pending the evaluation and adoption of contemplated local legislation, regulation and policies. For the reasons set forth herein above, it can be seen with certainty that there is no possibility that this Ordinance will have a significant effect on the environment.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary, and has approved as to form the draft ordinance.

**ATTACHMENTS:**

1. Urgency Ordinance No. 23-0001-U
2. Urgency Ordinance No. 22-0002-U (January 18, 2022)
3. PowerPoint Presentation

**URGENCY ORDINANCE NO. 23-0001-U**

**AN INTERIM ORDINANCE OF THE CITY OF MANHATTAN BEACH EXTENDING URGENCY ORDINANCE NO. 22-0002-U, WHICH AMENDED THE MANHATTAN BEACH MUNICIPAL CODE TO CLARIFY PROVISIONS FOR THE PRESERVATION OF HISTORIC RESOURCES, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA**

**THE MANHATTAN BEACH CITY COUNCIL HEREBY ORDAINS AS FOLLOWS:**

Section 1. Extension of Interim Ordinance. Ordinance No. 22-0002-U, adopted on January 18, 2022, amended the Manhattan Beach Municipal Code to clarify provisions for the preservations of historic resources. Ordinance No. 22-0002-U, as extended by Ordinance No. 22-0004-U, is effective until January 17, 2023. Ordinance No. 22-0002-U is hereby further extended in full force and effect 12 months to and including January 16, 2024.

Section 2. Effective Date. This Ordinance, adopted as an urgency measure for the immediate protection of the public safety, health, and general welfare, containing a declaration of the facts constituting the urgency, and passed by a minimum 4/5 vote of the City Council, shall take effect immediately upon its adoption and shall extend the effect of Ordinance No. 22-0002-U for a period of 12 months.

Section 3. Alleviation Measures Report. In accordance with California Government Code Section 65858(d), the City Council issued a written report on December 20, 2022, describing the measures taken to alleviate the condition that led to the adoption of Ordinance No. 22-0002-U.

Section 4. Authority and Legislative Findings. Pursuant to Government Code Section 65858, the City Council may, to protect the public safety, health, and welfare, adopt, as an urgency measure, an interim ordinance that regulates certain developments that may be in conflict with a contemplated zoning proposal that the City Council is considering, studying or intends to study within a reasonable period of time. In adopting Ordinance Nos. 22-0002-U and 22-0004-U, the City Council made a number of findings to support the Ordinances' adoption on an urgency basis. The Council hereby extends Ordinance No. 22-0002-U based upon those findings, which are incorporated by this reference, and the following findings. There is a potential for an immediate threat to public health, safety, and welfare from the continued implementation and enforcement of the Municipal Code's existing historic preservation regulations, as a large number of properties without a historic landmark designation will remain subject to the complicated procedures that delay redevelopment of such properties and impose additional costs on property owners. Therefore, under the authority of Government Code Section 65858 and 36937(b), the City Council seeks to establish interim objective standards to protect the public

health, safety, and welfare, while the City continues to study the potential land use and public service impacts of more streamlined historic preservation regulations.

Section 5. California Environmental Quality Act Findings. The City Council determines that this Ordinance is exempt from environmental review under the California Environmental Quality Act, (California Public Resources Code §§ 21000, et seq., (“CEQA”) and the CEQA Guidelines (14 California Code of Regulations §§ 15000, et seq.). This Ordinance is not a “Project” as defined under Section 15378 of the State CEQA Guidelines, as the proposed changes pertain to applicability for administrative processes and do not permit any development; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, this Ordinance is not subject to CEQA, because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

PASSED, APPROVED and ADOPTED on \_\_\_\_\_, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

\_\_\_\_\_  
STEVE NAPOLITANO  
Mayor

\_\_\_\_\_  
LIZA TAMURA  
City Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
QUINN M. BARROW  
City Attorney

# HISTORIC PRESERVATION URGENCY ORDINANCE EXTENSION

EXTENSION OF INTERIM URGENCY ORDINANCE CLARIFYING HISTORIC  
PRESERVATION POLICIES

City Council Meeting  
January 17, 2023



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\*Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.\*

# TIMELINE

- 11/2/21** City Council requests discussion regarding historic preservation ordinance and property owner consent
- 12/7/21** City Council discusses and directs staff to amend ordinance
- 1/18/22** City Council adopts urgency ordinance
- 3/1/22** City Council extends urgency ordinance to 1/17/2023



# EXTENSION CONSIDERATION

- State law allows the urgency ordinance to be extended one additional year.
- A permanent amendment to the ordinance has not yet been adopted.
- A one year extension of the urgency ordinance → January 16, 2024.
- If not extended, the unintended language in the ordinance would apply, unless and until local ordinance is adopted.

# CITY HISTORIC PRES. ORDINANCE

- Regulations for Certificate of Appropriateness, 60-day waiting period for demolition, and environmental review apply to all properties that are **eligible** historical resources, regardless of designation status.

# CURRENT URGENCY ORDINANCE

- Temporarily narrows applicability of Certificate of Appropriateness, 60-day waiting period for demolition, and environmental review to designated historical landmarks and contributing resources to historic districts.

# CEQA

- City Council found that the Urgency Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to:
  - Government Code Section 65852.21(j)
  - Section 15378 of the CEQA Guidelines
  - Section 15308 of the CEQA Guidelines
- Exemptions continue to apply to extension

# STAFF RECOMMENDATION

- Adopt Urgency Ordinance No. 23-0001-U extending Interim Ordinance No. 22-0004-U temporarily amending the provisions of the City's Historic Preservation Ordinance.

# HISTORIC PRESERVATION URGENCY ORDINANCE EXTENSION

EXTENSION OF INTERIM URGENCY ORDINANCE CLARIFYING HISTORIC  
PRESERVATION POLICIES

City Council Meeting  
January 17, 2023



Page 830 of 948

\*Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.\*



**CITY OF MANHATTAN BEACH**

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# STAFF REPORT

**Agenda Date:** 1/17/2023

---

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Alexandria Latragna, Policy and Management Analyst

**SUBJECT:**

Consideration of Final Design for Bruce's Beach Plaque Monument Landscaping (City Manager Moe).

(Estimated Time: 30 Mins.)

**APPROVE**

---

**RECOMMENDATION:**

Staff recommends that the City Council approve the landscape plan for the Bruce's Beach Plaque monument.

**FISCAL IMPLICATIONS:**

On March 10, 2022, City Council appropriated \$20,000 from the Public Arts Trust Fund to cover the costs of developing a plaque monument at Bruce's Beach. The attached design for landscaping are not included in that budget. Depending on which contractor is selected, the costs may vary, however, the estimated cost for the attached option is \$27,320, however, that does not include estimates for the cor-ten steel planters and the curved benches presented in the rendering. Under Manhattan Beach Municipal Code (MBMC) Chapter 2.37 and the Uniform Public Construction Cost Accounting Act (UPCCA), the City is not compelled to go through a competitive bidding process, but it is prudent to collect quotes to ensure competitive pricing. Once the City Council approves the design staff will proceed with soliciting quotes on the project and begin installation as soon as possible.

Once the exact costs are known, a budget adjustment will be presented.

**BACKGROUND/DISCUSSION:**

On December 20, 2022, staff presented three options for the Bruce's Beach plaque monument hardscape and landscape plans. City Council chose Option No. 1 with the following suggested

changes:

1. Removal of the proposed decomposed granite.
2. Inclusion of bench seating and deletion of seat boulders.
3. Expansion of the diameter of the cement circle to improve circulation and access to the monument site.
4. Creation of an opening at the westerly side of the circle to direct focus on the ocean view.

The attached proposed design incorporates the direction from City Council regarding the installation of the plaque monument.

Staff recommends that the City Council approve the proposed plan.

**PUBLIC OUTREACH:**

At the December 20, 2022, meeting, City Council requested that the revised proposed plan be sent to the neighboring residents near Bruce's Beach. On January 11, 2023, staff mailed a notice with a link to the proposal to every resident within 500 feet of Bruce's Beach Park, and subsequently posted it on the City social media platforms.

**ENVIRONMENTAL REVIEW:**

On April 19, 2022, in approving the overall project (Bruce's Beach plaque monument) the City Council determined that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15311(a) (Accessory Structures) of the State CEQA Guidelines, which exempts on-premise signs at existing institutional facilities (Class 11 categorical exemption). As the proposed landscape and hardscape design are a component of the overall project, and the existing conditions surrounding the project have remain unchanged, the initial determination of exemption pursuant to Section 15311(a) remains applicable. Thus, no further environmental review is necessary.

**ATTACHMENTS:**

1. Hardscape and Planting Plans
2. Rough Cost Estimate
3. PowerPoint Presentation



### HARDSCAPE PLAN AND SITE DIMENSIONS

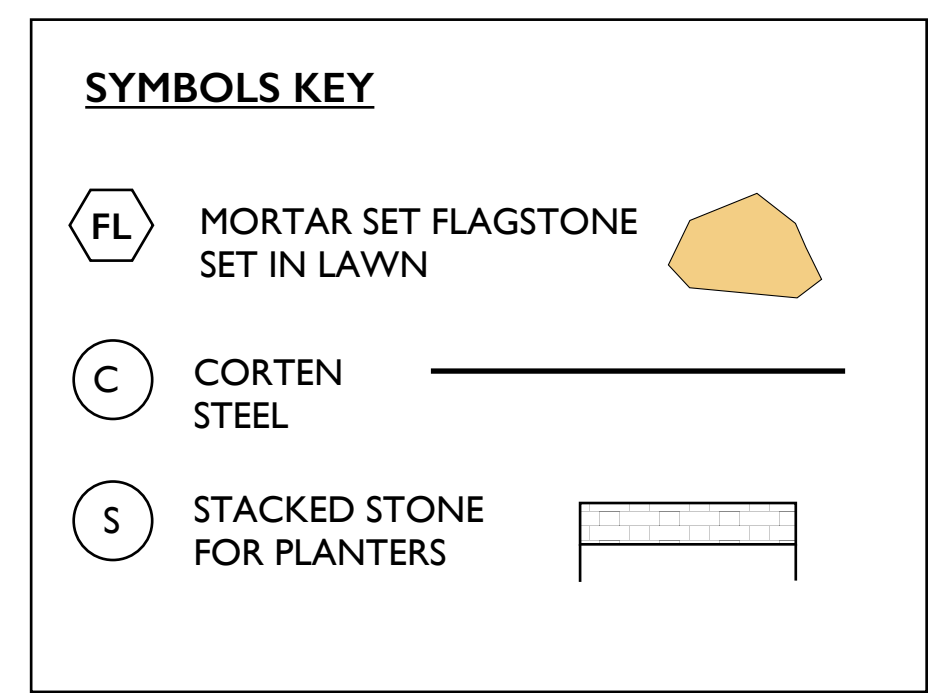
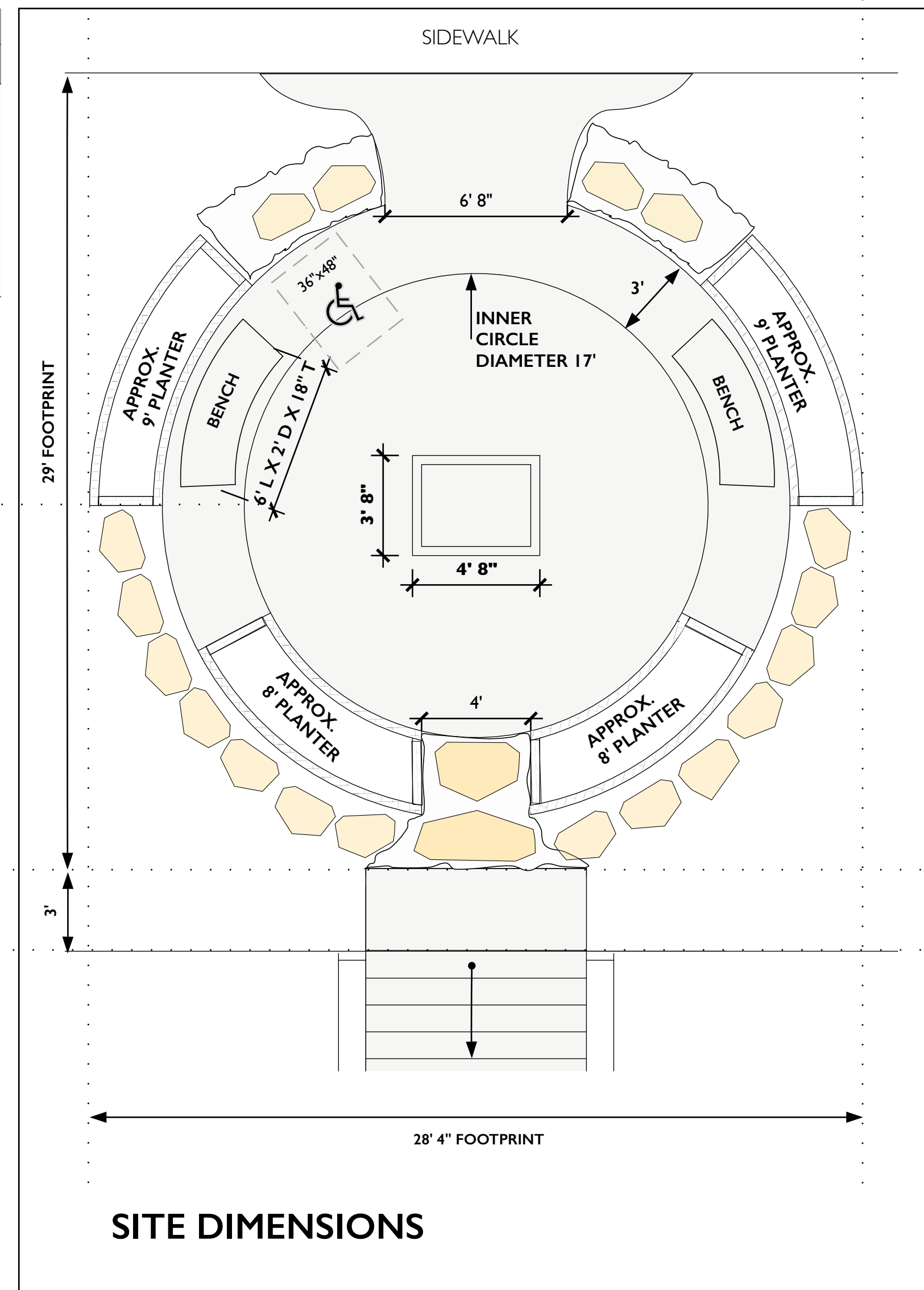
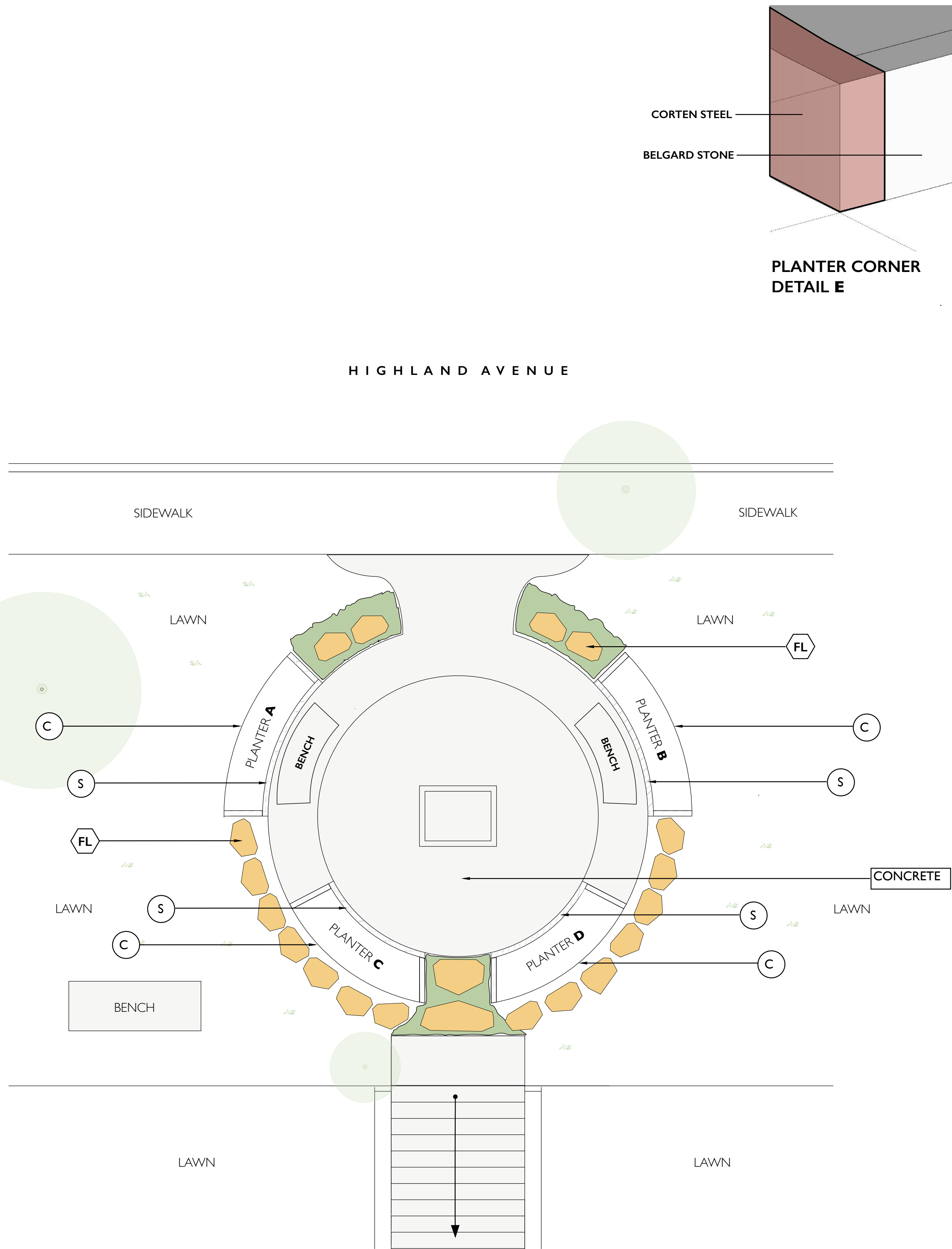
**MASONRY CONTRACTOR (MC) INSTALLATION NOTES**  
 MC is responsible for installation & materials unless noted otherwise.

1. **SITE PREP.**
  - REMOVE & DISPOSE OF SOIL IN CONCRETE AREA.
  - REFER TO DIMENSIONS.
  - GRADE SITE FOR PROPER DRAINAGE.
2. **CONCRETE.**
  - INSTALL CONCRETE AROUND EXISTING MONUMENT PLINTH AS INDICATED ON PLAN.
  - APPLY TOP SURFACE RETARDER TO CONCRETE. SEE MATERIALS.
3. **RAISED BEDS. STONE AND CORTEN STEEL.**
  - CONSTRUCT RAISED PLANTING BEDS ON NATIVE SOIL TO 12" ABOVE GRADE OF ADJACENT CONCRETE USING STONE AND CORTEN STEEL (SEE PLAN AND MATERIALS.)
  - PROVIDE DRAINAGE IN BEDS TO AVOID LEAKING ON ADJACENT CONCRETE.
  - COORDINATE W/ LC FOR IRRIGATION LINES IN RAISED BEDS. SEE PLAN AND MATERIALS FOR ADDITIONAL DETAILS.
4. **FLAGSTONE.**
  - INSTALL FLAGSTONE PAVERS IN LAWN - MATCH GRADE W/ ADJACENT NEW CONCRETE.
  - MORTAR SET INDIVIDUAL FLAGSTONES LEAVING APPROX. 4" GAPS BETWEEN EACH STONE.
5. **BENCHES. 2 EA. CITY WILL PROVIDE BENCHES**  
 INSTALLATION TBD

**HARDSCAPE MATERIALS**

**EST. QTYS ITEM**

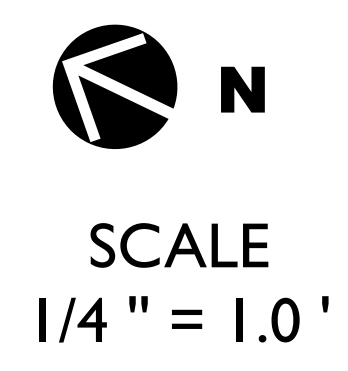
TBD BY MC	<p><b>CONCRETE &amp; SURFACE RETARDER</b>                  TOTAL AREA SQ FOOTAGE: APPROX. 400 AREA SQ FT (AREA SQ FT IS A SURFACE DIMS. AND NOT AN INDICATOR OF DEPTH.) INSTALL AT DEPTH TO LOCAL CODE REQUIREMENTS.</p>
MC TO	<p><b>PLANTERS</b> ALSO SEE PLANTER CORNER DETAIL E.</p>
CALCULATE QTYS.	<p><b>BELGARD "BELAIR 2.0" MANUFACTURED STONE FOR PLANTERS.</b>                  STONE IS TO RETAIN SOIL ON EDGES ALONG WITH THE CORTEN STEEL.                  MC TO SECURE JOINTS BETWEEN MATERIALS. SEE PLAN.                  HEIGHT OF PLANTERS TO BE: 12" H                  SIZE OF EACH BELGARD STONE: 6" x 10" x 5"                  LENGTH OF BELGARD STONE PLANTER EDGE IN LINEAR FEET:  <b>A &amp; B PLANTERS (2 EACH):</b> 28' 6" LIN FT.                  (APPROX. 14' 3" LIN FT. EACH PLANTER)  <b>C &amp; D PLANTERS (2 EACH):</b> 26' 8" LIN FT.                  (APPROX. 13' 4" LIN FT. EACH PLANTER)</p>
MC TO CALCULATE QTYS.	<p>SEE BELAIR SPECS. ATTACHED.</p> <p><b>CORTEN (WEATHERING) STEEL FOR PLANTERS.</b>                  CORTEN STEEL IS TO RETAIN SOIL ON EDGES ALONG WITH THE BELGARD STONE.                  HEIGHT OF PLANTERS TO BE: 12" H                  LENGTH OF CORTEN STEEL PLANTER EDGE IN LINEAR FEET:  <b>A &amp; B EAST PLANTERS (2 EACH):</b> 22' LIN FT.                  (APPROX. 11' LIN. FT. EACH PLANTER)  <b>C &amp; D WEST PLANTERS (2 EACH):</b> 21' 2" LIN FT.                  (APPROX. 11' 1" LIN. FT. EACH PLANTER)                  INSTALL CORTEN ON OUTER LAWN EDGE ONLY.                  RECOMMENDED TO INSTALL CORTEN STEEL FIRST BEFORE BELGARD STONE. SEE PLAN.                  MC TO SECURE JOINTS BETWEEN MATERIALS. SEE PLAN.                  CORTEN STEEL HEIGHT: FROM 20-24" H SUFFICIENT TO BURY.                  WIDTH: MIN 16 GAUGE, COMMERCIAL GRADE WEATHERING STEEL.</p>
2 PALLETS	<p><b>FLAGSTONE, SELECT GRADE ARIZONA SELECT COLOR BUFF</b>                  AVOID PALLETS WITH UNEVEN STONES. AVOID PINK IN SELECTION.                  3" - 4" MIN THICKNESS                  APPROX. 18 - 23" L X 16 - 18" W</p>
2 EA	<p><b>BENCHES BY QCP</b>                  STYLE: "GROOVE (WITHOUT BACK)"                  COLOR: HARVEST, SURFACE TYPE: STRATA                  SHAPE: CUSTOM ORDER - CURVED SHAPE WITH                  APPROX. DIMENSIONS: 6' L X 2' D X 18" H                  APPROX. WEIGHT: 334 LBS.</p>



**NOTE:**  
 ENVIROSCAPE LA HARDSCAPE DESIGNS ARE CONCEPTUAL,  
 NOT A SUBSTITUTE FOR ENGINEERING, CONTRACTING OR  
 ARCHITECTURAL PLANS. MC TO CONFIRM MEASUREMENTS,  
 GRADE CHANGES & EXISTING ELEMENTS ON SITE  
 BEFORE COMMENCING WORK.

## BRUCE'S BEACH MEMORIAL GARDEN MANHATTAN BEACH CALIFORNIA

**HARDSCAPE PLAN**



ENVIROSCAPE LA / MIKE GARCIA  
 2609 VARGAS WAY  
 REDONDO BEACH, CALIFORNIA

GARDEN DESIGN  
 FOR  
 BRUCE'S BEACH MEMORIAL GARDEN  
 CITY OF MANHATTAN BEACH CALIFORNIA

BRUCE'S BEACH PARK  
 2600 HIGHLAND AVENUE  
 MANHATTAN BEACH CA

ENVIROSCAPE LA / MIKE GARCIA  
 REDONDO BEACH CA  
 PH 310 420.8507

**PLANTING PLAN**

**LANDSCAPE CONTRACTOR (LC) INSTALLATION NOTES**

LC is responsible for installation & materials unless noted otherwise.

- PROVIDE SOIL AND ORGANICS FOR RAISED PLANTER BEDS.**  
 - FILL BEDS WITH A MIX OF SOIL AND PLANTING MIX TO 4" BELOW FINAL HEIGHT OF PLANTERS. SEE LANDSCAPE MATERIALS.
- PROVIDE AND INSTALL BARK-ONLY MULCH.**
- PLANT PREP. & INSTALLATION.** FOR CA NATIVE PLANTS.  
 - LC TO PROVIDE PLANTS & ASSIST IN PLACEMENT ON INSTALL DAY.  
 - WATER CONTAINER PLANTS THE DAY BEFORE PLANTING. (LC)  
 - IF PLANT IS ROOT BOUND, GENTLY ROUGH UP ROOTS, EXCEPTION: DO NOT DISTURB ROOTS OF COYOTE BRUSH.  
 - INSTALL PLANT APPROX. 1" HIGHER THAN SURROUNDING SOIL.
- DRIP IRRIGATION.** LC TO WORK WITH CITY TO INSTALL SYSTEM.  
 - FOR CA NATIVE PLANTS, KUROPIA AREAS, SURROUNDING NATIVE GRASSES.  
 - BEST PRACTICES: NEW LATERALS FOR ATTACHING SURFACE AND SUB-SURFACE DRIP INSTALLATION USING RAINBIRD COPPER SHIELD TECH SYSTEM.  
 - INSTALL USING RAINBIRD SPECS. AND FITTINGS ONLY.  
 - REPOSITION OR REPLACE EXISTING CONVENTIONAL SPRAY IRRIGATION HEADS TO AVOID MOISTURE ON MEMORIAL.  
 - REFER TO LANDSCAPING MATERIALS.

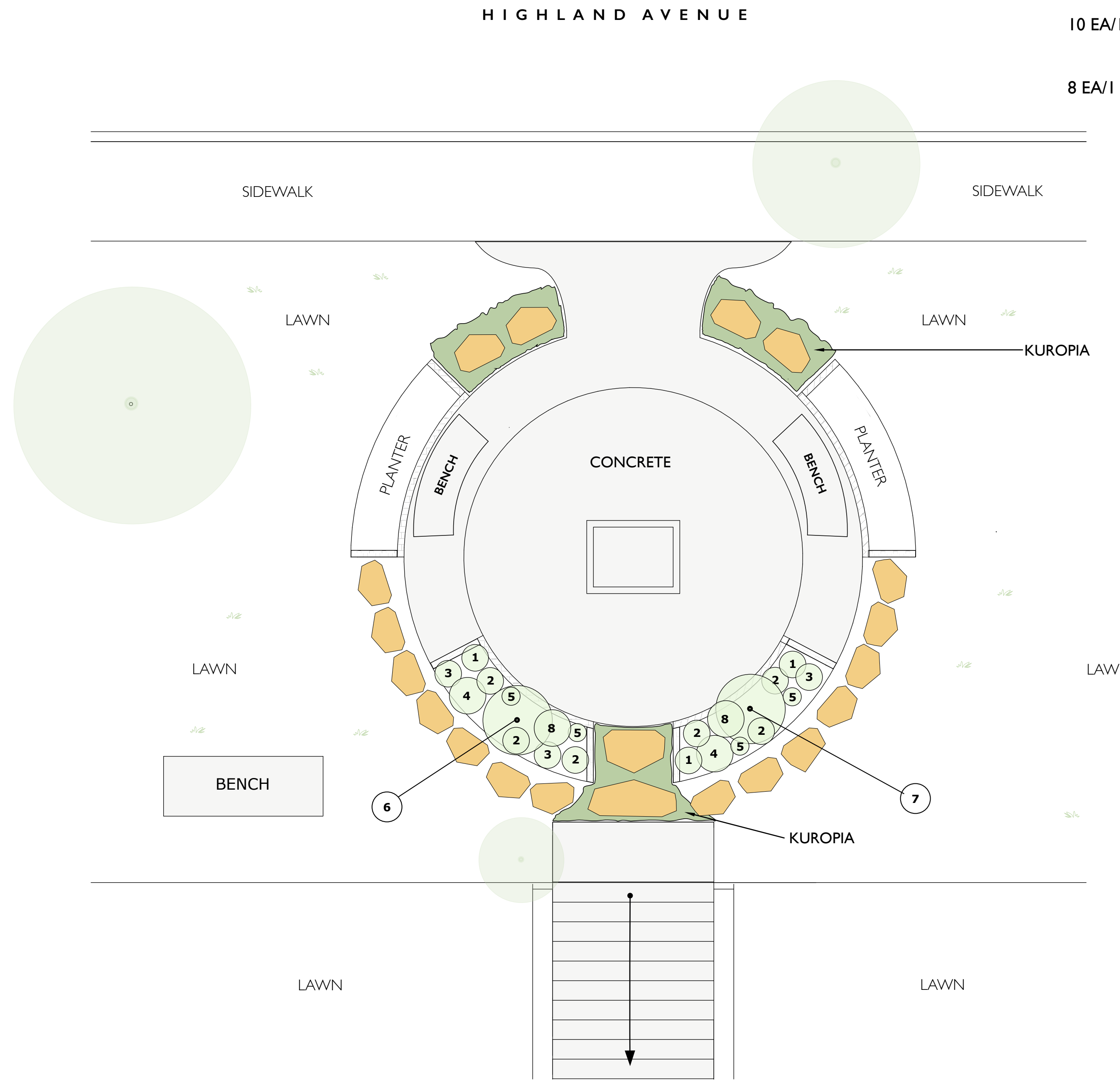
**LANDSCAPING MATERIALS**

LC TO CONFIRM MATERIALS QTYS.

EST. QTYS	ITEM
TBD BY LC	SOILS AND ORGANICS FOR RAISED PLANTER BEDS. INSTALL TO 3" BELOW FINAL HEIGHT OF BEDS. APPROX. 9" HIGH. -- 69A SIFTED LOCALLY SOURCED SOIL 70% -- LOCAL OMRI CERTIFIED ORGANIC COMPOST 30%
3 CU YDS	MULCH. DECO BARK TOP DRESSING. NO WOOD CHIPS.
500 LIN FT	DRIP IRRIGATION. RAINBIRD COPPER SHIELD TECHNOLOGY DRIP SYSTEM -- SURFACE INSTALLATION: 4 TOTAL PLANTING BEDS. -- SUBSURFACE INSTALLATION: KUROPIA AREAS & PERIMETER NATIVE SEDGES. REFER TO PLAN AND DIMENSIONS ON PAGE 1. LC TO CONFIRM MATERIALS QTY.
SEE PLANT LEGEND	OBTAIN AND INSTALL PLANTS INCL. KUROPIA.

PLANT LEGEND NO.	QTY/SZ	BOTANICAL NAME	COMMON NAME
1	3 EA/1 GAL	ACHILLEA 'MOONSHINE'	MOONSHINE YARROW
2	6 EA/1 GAL	CAMISSONIOPSIS CHERANTHIFOLIA	BEACH PRIMROSE
3	3 EA/1 GAL	ERIGERON GLAUCUS 'BOUNTIFUL'	SEASIDE DAISY
4	2 EA/1 GAL	ERIOGONUM PARVIFOLIUM	COAST BUCKWHEAT
5	3 EA/1 GAL	ERIOGONUM 'GRANDE RUBESCENS'	RED BUCKWHEAT
6	1 EA/1 GAL	BACCARIS 'PIGEON POINT'	DWARF COYOTE BRUSH
7	1 EA/1 GAL	SALVIA 'BONBON'	BONBON DWARF SAGE
8	2 EA/1 GAL	EPILOBIUM CANUM	CALIF FUCHSIA

- 7 FLATS - GROUND COVER: KUROPIA IN FLATS - QTY TBD
- 10 EA/1 GAL - NATIVE GRASS: SUBJECT TO AVAILABILITY CAREX PRAEGRACILIS 'CHISAI' (CHISAI CALIFORNIA SEDGE)
- 8 EA/1 GAL - COASTAL CALIF POPPY: ANNUALS/ SUBJECT TO AVAILABILITY ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA



BONBON SAGE



CHISAI CA. SEDGE



RED BUCKWHEAT



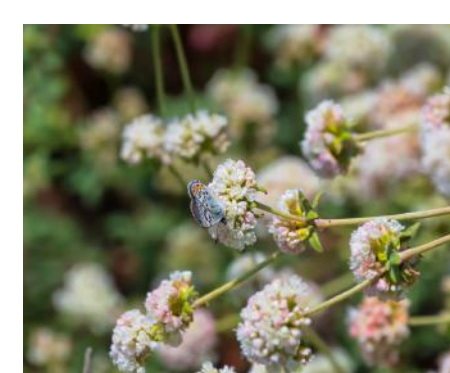
MOONSHINE YARROW



DWARF COYOTE BRUSH



BEACH PRIMROSE



DUNE BUCKWHEAT

BRUCE'S BEACH MEMORIAL GARDEN  
 MANHATTAN BEACH CALIFORNIA

**PLANTING PLAN**



SCALE  
 1/4" = 1.0'

ENVIROSCAPE LA / MIKE GARCIA  
 2609 VARGAS WAY  
 REDONDO BEACH, CALIFORNIA

GARDEN DESIGN  
 FOR  
 BRUCE'S BEACH MEMORIAL GARDEN  
 CITY OF MANHATTAN BEACH CALIFORNIA

BRUCE'S BEACH PARK  
 2600 HIGHLAND AVENUE  
 MANHATTAN BEACH CA

## ROUGH ESTIMATES FOR BB PROJECT REVISED OPTION

DATED: JANUARY 11, 2023

**NOTE: THIS IS NOT A ROUGH COST ESTIMATE AND NOT A BID. PRICES SUBJECT TO CHANGE.**

COSTS INDICATED INCLUDE LABOR UNLESS NOTED OTHERWISE

<b>QTY</b>	<b>ITEM</b>	<b>EST COST</b>
400 FT TOTAL SURFACE AREA	CONCRETE EST	\$12,000.00
56 LINEAR FT	PLANTER MATERIAL: MANUFACTURED STONE PLANTERS 12" @ \$120 / LINEAR FT	\$6,720.00
45 LINEAR FT	PLANTER MATERIAL: COR-TEN STEEL FOR LAWN EDGE * PLANTERS 12" H	
2 EA	QCP BENCHES "GROOVE W/O BACK' CURVED **	
2 PALLETS	FLAGSTONE MORTAR SET, SELECT ARIZONA , COLOR: BUFF 3"-4" DEPTH MIN	\$1,400.00
500 LINEAR FT	RAINBIRD COPPER SHIELD PRO DRIPLINE SYS	\$5,000.00
40 EA/VAR SZ 7 FLATS	PLANTS - MOSTLY 1-5 GAL KUROPIA	\$ 800.00 \$ 200.00
QTY TBD	ORGANIC SOILS & LOCAL ORGANIC COMPOST	\$ 700.00
3 CU YRDS	DECO BARK - BARK ONLY TOP MULCH	\$ 500.00
	<b>TOTAL EST.</b>	<b>\$27,320.00</b>

### IN ADDITION TO ABOVE:

2 BEDS - SUCCULENT TAPESTRY GARDENS BY GARDEN BUTTERFLY LA

\* CORTEN STEEL EST. - VENDORS ARE GETTING BACK TO US ON COSTS.

\*\* BENCHES - QCP ARE GETTING BACK TO CITY ON COSTS.

ENVIROSCAPE LA  
MIKE GARCIA  
PH 310 420.8507

# BRUCE'S BEACH PLAQUE MONUMENT LANDSCAPING PLAN

City Council Meeting  
January 17, 2023



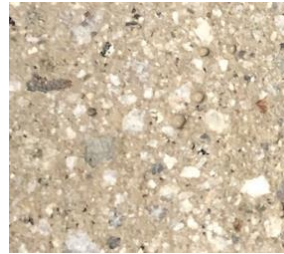
# CITY COUNCIL DIRECTION

- Removal of the proposed decomposed granite.
- Inclusion of bench seating and deletion of seat boulders.
- Expansion of the diameter of the cement circle to improve circulation and access to the monument site.
- Creation of an opening at the westerly side of the circle to direct focus on the ocean view.

# CITY COUNCIL DIRECTION

- Low, dwarf plantings in planters pushed to the side, opening up the view to the ocean.
- Removal of the decomposed granite, pushing out the cement circle.
- Removal of boulder seating and addition of backless bench seating.
- Contemplative space, central focus on the view and the monument. The circle is a powerful symbol of inclusion and wholeness.

# HARDSCAPING AND LANDSCAPING













**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Talyn Mirzakhonian, Acting Community Development Director  
Erik Zandvliet, T.E., City Traffic Engineer

**SUBJECT:**

Discussion of Options for Temporary Encroachment Permits for Street Dining and Business Uses and Outdoor Facilities Permits for Outdoor Uses on Private Property After Expiration of COVID-19 Emergency Orders (Acting Community Development Director Mirzakhonian).

**(Estimated Time: 60 min.)**

**DISCUSS AND PROVIDE DIRECTION**

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**RECOMMENDATION:**

Staff recommends that the City Council discuss and provide direction on the options for temporary encroachment permits for street dining and business uses, and outdoor facilities permits for outdoor uses on private property previously issued under COVID-19 Emergency Orders.

**FISCAL IMPLICATIONS:**

The City is currently foregoing an estimated \$50,502 in revenue each month due to the use of 57 parking spaces for private outdoor dining/business use, which is comprised of \$44,460 in unrecovered parking meter fees and \$6,042 in unrealized potential parking citation revenue. In addition, staff time in support of outdoor dining/business use has not been charged.

The City is also foregoing approximately \$32,000 in revenue each month that would normally be charged for long-term commercial use of public property, currently set by resolution at \$3.00 per square foot per month.

Pursuant to City Council direction, restaurants with temporary encroachment permits or outdoor facilities permits are allowed to serve more patrons than their pre-COVID maximum occupancy during the COVID-19 emergency, which incrementally increases local sales tax revenue, as well

as increases demand (and related costs) for public services, such as more frequent refuse pick-up, public infrastructure maintenance, and public safety resources.

**BACKGROUND:**

In March 2020, the State, Los Angeles County, and the City each declared a State of Emergency due to the COVID-19 pandemic. Los Angeles County Department of Public Health (LACDPH) issued orders restricting many indoor uses, causing businesses to look for opportunities to operate outdoors. On June 10, 2020, the City Manager issued City Emergency Order No. 10, allowing staff to issue temporary encroachment permits for street dining and business uses in the public right-of-way (PROW), as well as Outdoor Facilities Permits for outdoor uses on private property, referred to collectively in this report as the COVID-19 Outdoor Dining/Business Use Program (“COVID-19 Program”).

Since June 2020, City staff and City Council have worked with the businesses and community to balance the benefits and impacts of the COVID-19 program. The COVID-19 program has evolved as County, State and National regulations changed. Notably, the City has modified indoor and outdoor dining occupancy limits, adjusted encroachment area sizes for equity, imposed and relaxed seat spacing requirements, temporarily closed Manhattan Avenue for expanded dining, extended permit deadlines, and most recently waived restaurant dining occupancy limits. A summary of the more significant actions is attached to this staff report.

On October 17, 2022, the Governor announced that California’s State of Emergency will end on February 28, 2023. Pursuant to City Council direction on December 21, 2021, the current COVID-19 Program is scheduled to expire at the end of the Governor’s State of Emergency. Staff has prepared this report to assist in the City Council’s discussion related to options available after the COVID-19 Program ends.

On October 5, 2021, the City Council added a Work Plan item titled Long-Term Outdoor Dining and Business Uses on Public and Private Property to study a post-COVID approach to outdoor dining. On February 15, 2022, the City Council approved the addition of a Senior Planner position to the Community Development Department to perform complex planning projects, including the Work Plan item. On July 5, 2022, the City Council directed staff to form a task force to support the Work Plan item. The Senior Planner joined the City in January 2023 and has been assigned to this effort. Furthermore, an official email address has been created for this effort. Stakeholders can email the City at [outdoordining@manhattanbeach.gov](mailto:outdoordining@manhattanbeach.gov) <<mailto:outdoordining@manhattanbeach.gov>> to enroll in the “interested parties” list. The webpage is expected to be published by the first week of February and task force applications will be posted the following week.

**DISCUSSION:**

As described in Emergency Order No. 10, the main purpose of the COVID-19 Program was to allow restaurants and businesses to “temporarily expand their existing footprints into the public right of way, public property, and private property to accommodate social distancing requirements required by state and county protocols to limit the spread of COVID-19.” With the end of the Governor’s State of Emergency, the original reason to authorize outdoor dining and business areas will no longer exist.

Currently, there are 26 outdoor dining/business use encroachment areas in the PROW totaling approximately 10,757 square feet and occupying 57 parking spaces. There are also approximately 11 Outdoor Facilities Permits for expanded temporary outdoor dining on private property. In addition, the City has also issued sidewalk business/dining permits to 16 businesses in the City under a permit program predating the pandemic; these permits are not impacted by the Emergency Order expiration dates, but are subject to the restaurants' overall dining occupancy limits or waivers, as well as all other requirements provided in Manhattan Beach Municipal Code (MBMC) Section 7.36.160. Sidewalk dining permits are also charged a \$3.00 per square foot per month fee for commercial use of the public property.

#### Land Use Approvals

Pursuant to building codes and the MBMC, certain regulations (such as additional restroom facilities, parking, and waste facilities, etc.) may be required when the building floor area or dining occupancy of the business is increased. The Municipal Code requires that businesses with Use Permits, including all restaurants, apply for and obtain a Use Permit Amendment before applying for an encroachment permit for private commercial use of the PROW (MBMC Section 7.36.140) or an Outdoor Facilities Permit for expanded use on private property. Coastal Development Permits may also be required for each restaurant expansion and for new development within the Coastal Zone. The development must meet findings related to public access to the coast in order to issue a Coastal Development Permit.

#### Encroachment Permits

Notwithstanding the City's Declaration of Emergency, private commercial use of the PROW can be authorized by the City Council pursuant to Section 7.36.170 of the Municipal Code. Only the City Council is authorized to approve private commercial use of the PROW. A series of findings would need to be satisfied pursuant to Section 7.36.065, including the following:

- A. The granting of the encroachment permit will not be materially detrimental to the public health, safety, convenience, and welfare or injurious to property and improvements in the same vicinity and zone in which the property is located;
- B. The granting of the encroachment permit will be in conformity with the policies and goals of the General Plan;
- C. The proposed encroachment will comply with the provisions of this chapter, including any specific condition required;
- D. The proposed encroachment will not encroach into the area of the right of way occupied by an improved paved sidewalk or pedestrian or vehicular accessway or stairway, except as expressly provided in this chapter;
- E. The proposed encroachment will not reduce or adversely impact public pedestrian access along the paved and improved portion of the street, sidewalk, walk street, alley or stairway and does not reduce or adversely impact the vehicular access along the improved alley.
- F. For properties that are located in the coastal zone, the proposed encroachment will be consistent with the public access and recreation policies of Chapter 3 of the California Coastal Act of 1976, as follows:
  1. The proposed encroachment will not impact public access to the shoreline, adequate public access is provided and shall be maintained in the public right-of-way adjacent to the subject property (Section 30212 (a)(2)).
  2. The present and foreseeable future demand for public or commercial recreational

activities that could be accommodated on the property is already adequately provided for in the area (Section 30221).

Finding "F" requires that private commercial use of the PROW within the coastal zone shall NOT impact public access to the shoreline consistent with the California Coastal Act. This means ensuring that public parking supply is not impacted by development and that public access on sidewalks or roads to the coast is not reduced or hindered. The current temporary encroachment areas that occupy public street parking spaces would not be able to satisfy this finding without providing an equivalent number of public parking spaces elsewhere. Furthermore, the provisions of Assembly Bill (AB) 61, as described in detail below, do not serve to relax regulations applicable to public parking.

In addition to satisfying the findings, both mandatory and discretionary conditions would be imposed, including an encroachment agreement, insurance coverage, commercial use fee, restoration of the area after use and other conditions as deemed appropriate. The City Council could terminate the encroachment agreement at any time in a manner similar to the current temporary encroachment agreements.

#### Outdoor Facilities Permits (Private Property)

Businesses may also apply for an Outdoor Facilities Permit pursuant to Section 10.60.080 of the Municipal Code. These permits allow for the outdoor display of merchandise, chairs and benches for customer waiting, and outdoor food and beverage service on private property (i.e. in parking lots or open spaces on private property). Outdoor facilities are subject to the following performance standards:

- A. Outdoor display of merchandise or materials shall not occupy public property, and may not occupy more than fifty percent (50%) of the total "tenant frontage" of a building as defined in Section 10.72.030 of this title.
- B. Yards, screening, or planting areas may be required to prevent adverse impacts on surrounding properties. The height of merchandise, materials, and equipment stored or displayed shall not exceed the height of the screening fence or wall, if required.
- C. There shall be no outdoor preparation of food or beverages associated with outdoor dining where food is consumed at tables.

In addition, the outdoor facility must comply with all other zoning requirements, including setbacks, required parking, screening, etc. The business would also need to maintain conformance to its Use Permit conditions, which may include occupancy limits. The Community Development Director shall review the application for compliance with the performance standards and may impose conditions to avoid adverse impacts such as, but not limited to, public safety impediments, visual clutter, and disorderly displays.

#### Parking Requirements

Based on approximately 10,757 square feet of additional restaurant areas created by outdoor dining spaces in the public right-of-way, the Municipal Code would otherwise require 215 new public parking spaces (one parking space per 50 square feet of seating area). This places additional demand on the existing parking supply, which is already over capacity during the summer and holiday seasons, and further reduced by the 57 public spaces currently occupied by encroachment areas.

AB61, effective as of January 1, 2022, requires that cities reduce the number of required parking spaces for existing uses to accommodate outdoor dining used to mitigate indoor dining restrictions for COVID-19. This statute does not require a State of Emergency to be in place, and rather, remains in effect until January 1, 2024. As such, there is a “grace period” for meeting parking requirements. Local governments are also not precluded from adopting ordinances to reduce or relax parking requirements outside of a State of Emergency. However, AB 61 only applies to required parking; therefore, it does not offer relief for the loss of public parking spaces, unless such spaces constitute “required” parking through conditions of approval or permit.

#### Service of Alcohol

AB 61 authorizes the California Alcoholic and Beverage Control to allow licensees to temporarily expand their license area (pursuant to a COVID-19 Temporary Catering Authorization) until February 28, 2024. If the City wishes to continue temporary approvals for expansion of alcohol license areas, there would be an expedited path forward.

#### Public Resources

The City has experienced an increase in requests for sidewalk cleaning and refuse services to handle the additional waste generated by an increase in dining activity. There has been an incremental increase in public safety incidents, as evidenced by several minor vehicle collisions with the encroachment areas that required police response and collision reporting. The City has also deferred pavement maintenance under the street dining encroachment areas until such time as they are removed. Furthermore, it costs the City extra funds to have the pavement maintenance vehicles maneuver around the dining decks.

As noted in the Financial Implications section, the City is foregoing approximately \$32,000 in revenue each month by not charging a long-term encroachment fee for the commercial use of public property, currently set by resolution at \$3.00 per square foot per month. This fee was waived by the City Council on March 1, 2022, but could be reinstated to help defer the costs of additional public resources.

#### Conclusion

Given AB 61's allowances for parking reductions and expanded temporary alcohol service areas, the City may be able to consider limited-term non-COVID-19 encroachment permit applications on a case-by-case basis after the end of the State of Emergency through this code section. This would require complying with Coastal Development Permit requirements for dining areas within the right-of-way in Coastal areas, and temporarily relaxing Use Permit conditions of approval for all areas.

#### **POLICY ALTERNATIVES:**

Staff presents the following alternatives:

#### **ALTERNATIVE 1:**

No action. At the expiration of the Governor's State of Emergency, and by March 10, 2023, businesses would need to remove existing temporary encroachment areas in the public right-of-way in accordance with their Temporary Encroachment Agreements. Outdoor areas on

private property would need to follow the regulations of the City's Outdoor Facilities Permits, using the provisions of AB 61 to address the parking requirements and alcohol service limitations. Businesses could apply for sidewalk dining permits subject to existing regulations, restrictions and relaxed alcohol service provisions of AB 61. Separately, the long-term outdoor dining effort would proceed.

**ALTERNATIVE 2:**

Create a City-initiated Coastal Development Permit and Temporary Encroachment Permit process to collectively evaluate and temporarily allow outdoor business/dining areas in the public right-of-way during the term of AB 61. The City would then work with individual businesses to assess their ability to use these areas while meeting the findings of the Coastal Act. Use of encroachment areas would require a like-for-like replacement of public street parking. Outdoor areas on private property would need to follow the regulations of the City's Outdoor Facilities Permits, using the provisions of AB 61 to address the parking requirements and alcohol service limitations. Similarly, sidewalk dining would be permitted subject to existing sidewalk dining permit regulations and temporarily relaxed alcohol service provisions of AB 61. The uncertainties of this alternative include delays related to processing, potential appeals or denial of a Coastal Development Permit, as well as unknown time needed to acquire or construct replacement parking. This alternative would require considerable staff resources.

**ALTERNATIVE 3:**

Allow individual businesses to apply for Coastal Development Permits and Temporary Encroachment Permits for commercial use of the public right-of-way pursuant to MBMC Section 7.36.170 subject to City Council approval, or to apply for an Outdoor Facilities Permit on private property, or sidewalk dining permits. Businesses would need to provide documentation that required findings or performance standards will be satisfied, including the equivalent replacement of any public or required parking spaces. A Coastal Development Permit may also be required for expanded business uses if applicable. The uncertainties of this alternative include delays related to processing, potential appeals and/or denials of Coastal Development Permits. This alternative would require considerable staff resources.

**PUBLIC OUTREACH:**

This meeting was announced at the September 20, 2022, City Council meeting, and City staff has informed the Chamber of Commerce, Downtown Business and Professional Association, North Manhattan Beach Business Improvement District, and the Downtown Residents Association of this agenda item. The City Council meeting agenda has also been noticed in conformance with public meeting requirements.

**ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the Council's discussion of this item is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary at this time.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is



necessary.

**ATTACHMENTS:**

- 1.Outdoor Street Dining/Business Use Encroachment Area Chronology
- 2.PowerPoint Presentation

# Outdoor Street Dining/Business Use Encroachment Area Chronology

- 3/13/2020 City Declares State of Emergency.
- 5/20/2020 City establishes Outdoor Dining/Business Use Solutions Task Force (meets regularly until 2/25/2022)
- 6/5/2020 City authorizes permits for outdoor dining/business use of the public right-of-way (PROW). (EO#10)
- 6/10/2020 City authorizes outdoor dining/business use permits in street parking spaces. (EO#11)
- 8/4/2020 City Council retroactively waives parking meter and PROW use fees for encroachment areas.
- 8/7/2020 City extends outdoor dining hours to 11 PM in the PROW. (EO #16)
- 8/15/2020 City Council approves increase in street and City-lot parking meter rates to \$2.00/hour.
- 9/2/2020 City extends outdoor street dining/business use permits to January 15, 2021. (EO #19)
- 11/20/2020 City extends PROW permits to 90 days after LA County allows indoor seating; reduces outdoor dining hours to 10 PM; and authorizes closure of certain public lots and streets for outdoor dining. (EO #21)
- 1/2/2021 City closes public seating areas. (EO #22)
- 1/29/2021 City rescinds EO #22, and resumes outdoor dining/business use of PROW. (EO #23)
- 2/11/2021 City closes Manhattan Avenue to allow outdoor dining in street. Street reopened on 2/23/2021.
- 5/18/2021 City Council extends outdoor street dining/business use permits to September 7, 2021, and extends permits west of Ocean Dr. to July 5, 2021. Council continues a discussion of fees for use of PROW.
- 6/15/2021 City Council extends PROW permits west of Ocean Dr to July 20, 2021 and other areas to September 10, 2021. (EO #26)
- 6/15/2021 Governor lifts indoor dining capacity limits.
- 7/6/2021 City Council discusses possible fees for outdoor dining/business use of the PROW and continues item.
- 8/24/2021 City Council extends outdoor street dining/business use permits to January 3, 2022 (EO #27) and directs staff to initiate a Work Plan item to study long-term outdoor dining/business use of the PROW.
- 9/21/2021 City Council approves \$1.00 per square foot monthly fee for outdoor street dining/business use.
- 10/05/2021 City Council directs staff to remove outdoor dining areas in front of retail/personal service by Nov. 1.
- 11/02/2021 City Council confirms outdoor dining areas may remain in place during holiday fireworks event.
- 12/07/2021 City Council confirms expiration of outdoor street dining/business use permits on January 3, 2022.
- 12/21/2021 City Council extends outdoor street dining/business use permits through the end of California State of Emergency (EO #28) and increases monthly fee for use of the PROW to \$3.00 per square foot.
- 3/1/2021 City Council directs staff to conduct dining occupancy surveys with restaurants and other cities, and suspends \$3.00 per square foot monthly fees for use non-sidewalk PROW areas.
- 4/19/2022 City Council directs staff to take steps to increase maximum dining occupancy for restaurants with street encroachment areas, and return on September 20, 2022 for further consideration.
- 7/5/2022 City Council approved a working group for Long-Term Outdoor Dining/Business Use Work Plan.
- 9/20/2022 City Council directed staff to continue waiver of maximum dining occupancy limits.

EO = Emergency Order, PROW = Public Right-of-Way

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- 12/21/2021 City Council extends outdoor street dining/business use permits through the end of California State of Emergency (EO #28) and increases monthly fee for use of the PROW to \$3.00 per square foot.
- 3/1/2021 City Council directs staff to conduct dining occupancy surveys with restaurants and other cities, and suspends \$3.00 per square foot monthly fees for use non-sidewalk PROW areas.
- 4/19/2022 City Council directs staff to take steps to increase maximum dining occupancy for restaurants with street encroachment areas, and return on September 20, 2022 for further consideration.
- 7/5/2022 City Council approved a working group for Long-Term Outdoor Dining/Business Use Work Plan.
- 9/20/2022 City Council directed staff to continue waiver of maximum dining occupancy limits.

EO = Emergency Order, PROW = Public Right-of-Way





**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director  
Katherine Doherty, City Engineer  
Marzena Laskowska, Senior Civil Engineer

**SUBJECT:**

Discussion Regarding Placing Cameras at Public Facilities, Public Areas and Parks (Public Works Director Lee).

(Estimated Time: 45 Mins.)

**DISCUSS AND PROVIDE DIRECTION**

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**RECOMMENDATION:**

Staff recommends that the City Council discuss and provide direction regarding the expansion of the City Security Camera System Project to include additional public facilities and areas, including City parks.

**FISCAL IMPLICATIONS:**

There is no fiscal implication associated with the recommended action at this time. However, once the City Council directs staff on this matter, additional staff time, resources, and funding appropriations may be required.

**BACKGROUND:**

In 2019, the City's Safety Committee evaluated options to enhance the safety and security of employees at City Hall and other facilities. The Committee brought their updates on existing and proposed safety and security measures to City Council on January 7, 2020. The City Facilities Camera Project Assessment Report was completed in March 2022 by Triad Consulting and System Design Group (Triad) and included security recommendations and rough order magnitude (ROM) cost estimates for installing cameras and other security measures at seven City facilities:

1. City Hall
2. Police Department Headquarters
3. Fire Department Station 1
4. Public Works Yard
5. Joslyn Community Center
6. Live Oak Park
7. Manhattan Heights Community Center

On June 7, 2022, the City Council approved Amendment No. 1 to the agreement with Triad to develop the bidding documents associated with this project. Since that time, staff has been working with Triad to operationalize its recommendations for equipment, cameras, camera placement, installation standards, and recorded video storage.

At this time, Triad Consulting and System Design Group has performed in-depth site evaluations for the seven City facilities, coordinated with staff on camera system requirements, re-evaluated phasing to provide for streamlined installation, and produced the 65 percent plan set for all three phases. Phase 1 includes the Public Works Yard and City Hall, Phase 2 includes the Police Department and Fire Department, and Phase 3 includes Joslyn Community Center, Live Oak Park, and Manhattan Heights Community Center.

The current scope of the project involves installing 94 exterior and interior cameras at the seven City facilities mentioned above. Funding in the amount of \$819,067 is programmed into the current five year Capital Improvement Program (CIP) for the design and construction of this project. Construction costs for all three phases are anticipated to total approximately \$700,000.

The design plans for Phase 1 are anticipated to be completed by March 2023. The bidding process should occur in April 2023, with the City Council considering a construction contract award in June 2023. Construction is anticipated to be complete by February 2024.

During the November 15, 2022 City Council meeting, the Council requested a future agenda item to discuss expansion of the scope of the Citywide Security Cameras Project to include other public facilities and public areas, including City parks. As originally suggested by Mayor Pro Tem Montgomery when he requested this item on November 1, 2022, these public areas should specifically include Downtown Manhattan Beach and the parking lot behind the Manhattan Village Senior Villas.

**DISCUSSION:**

Expansion of the scope of this project to include additional public facilities and areas, including City parks, could certainly provide safety benefits to the community. Estimated costs to do so are unknown at this time. These costs would include the actual costs of purchasing and installing cameras, and also costs for additional disk space to store video locally, cloud storage if necessary, and the installation of network and power infrastructure which involve both up front and recurring costs. Expansion of this program could also require additional staff resources to operate and maintain the camera system and to respond to requests for video footage, both from City personnel and from the public.

While rough order of magnitude (ROM) cost estimates to expand the scope of this project cannot be established until the camera locations are identified and proper site assessments

can be conducted, approximations can be made. Given that the 94 cameras included within the current scope of work for this project are anticipated to cost \$700,000 to purchase and install, the average cost to deploy each camera is approximately \$7,500. It's important to note that these 94 specific cameras will be deployed at locations that are generally easy to install in terms of proximity to power and network connections in and/or around City buildings.

To obtain useful video footage in open public space areas, including the middle of City parks or in commercial areas not near City buildings, power for cameras would have to be derived from other sources (potentially lights or traffic signals), and network connectivity may need to be accomplished with wireless technology. These elements could significantly increase the costs of installing each camera beyond the \$7,500 average. Furthermore, this amount does not include additional ongoing costs associated with storage, backup, network management, camera maintenance (cleaning, repair, etc.), and staff support that would be necessary to operate an expansive system.

In order to deploy enough cameras to capture useful video footage in all parks, key public areas, and at all properties owned and operated by the City, hundreds of additional cameras would need to be installed. The total costs to expand this project could be well in excess of \$10,000,000.

If the City Council directs staff to expand the scope of the Citywide Security Cameras Project, staff will develop a list of potential locations that could be included in this expanded program for the City Council's review and consideration. Once those locations are confirmed as appropriate, the security camera needs at each new location would be assessed and a findings report that summarizes recommended camera solutions and estimated costs for implementation could be developed. Staff would then return to the City Council with the recommendations and estimated costing to request direction on how to proceed.

Furthermore, the City's current approach to this project is to capture and archive footage from a security perspective and does not include increased costs associated with live surveillance or monitoring of cameras. If the City Council wants consider changing this approach, staff would review available options and return to the City Council at a future date with more information.

**CONCLUSION:**

Staff recommends that the City Council discuss this item and provide direction regarding the potential expansion of the Citywide Security Cameras Project.

**ENVIRONMENTAL REVIEW:**

The City Council's discussion of this item is not a "project" as defined under Section 15378 of the State California Environmental Quality Act (CEQA) Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Should the City Council direct staff to proceed with the security camera expansion project, said project would qualify for an exemption pursuant to State CEQA Guidelines Section 15061(b)(3), the common sense exemption (formerly the "general rule") that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question can have a significant effect on the environment, the activity is not subject to CEQA, as is the case with the security camera

expansion project.

**LEGAL REVIEW:**

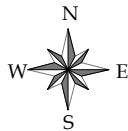
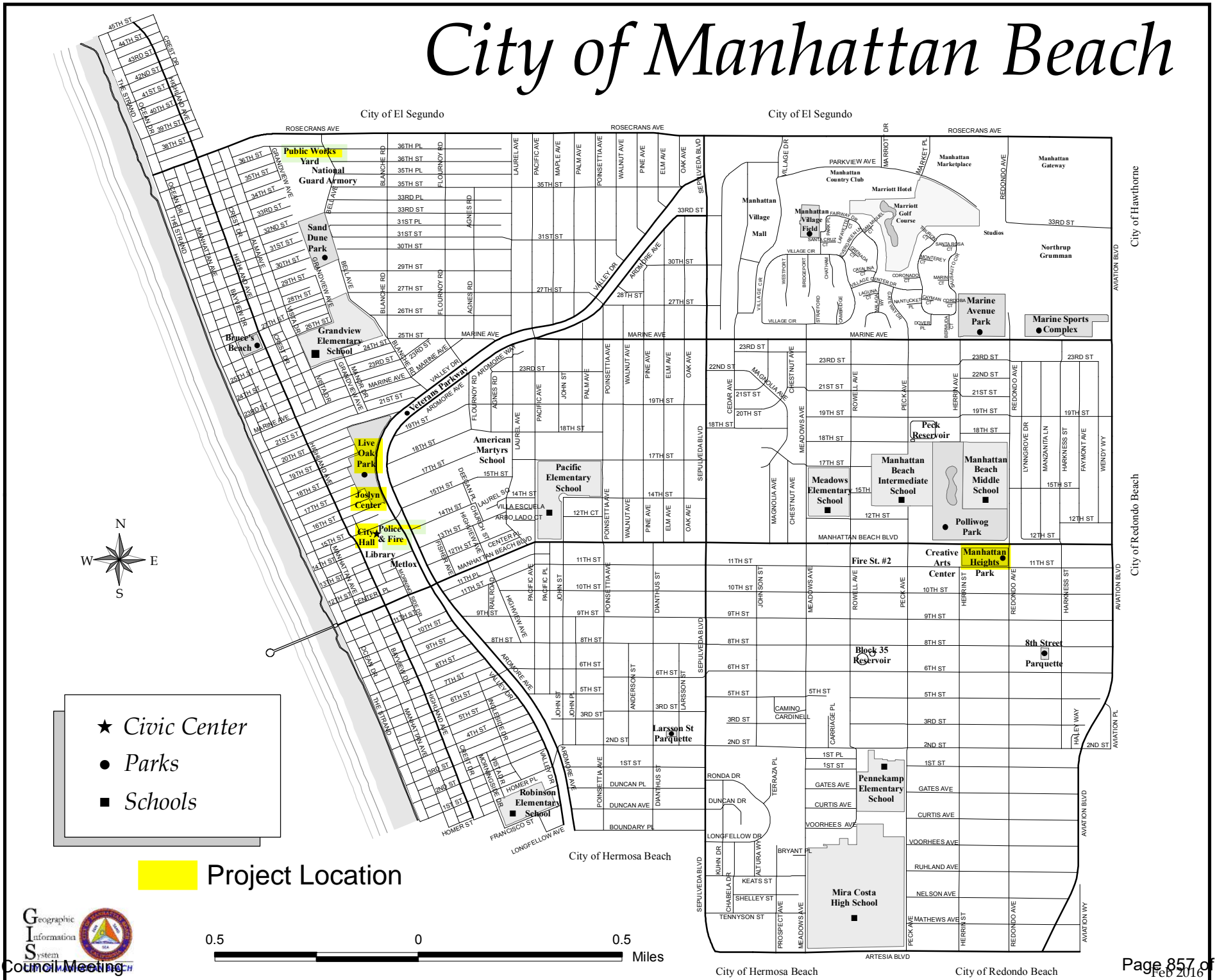
The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Map Depicting Scope of Current Citywide Security Cameras Project
2. PowerPoint Presentation

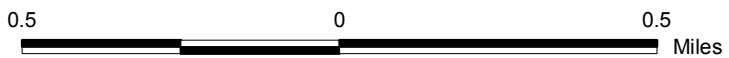


# City of Manhattan Beach



- ★ Civic Center
- Parks
- Schools

Project Location



# Placing Cameras at Public Facilities, Public Areas and Parks

January 17, 2023  
City Council Meeting  
January 17, 2023



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\*Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.\*

# Current Citywide Security Cameras Project

- Install 94 Cameras at 7 Facilities:
  1. City Hall
  2. Police Department Headquarters
  3. Fire Department Station 1
  4. Public Works Yard
  5. Joslyn Community Center
  6. Live Oak Park
  7. Manhattan Heights Community Center
- Purchase & Installation - Approx. \$700,000
- Contract Award Anticipated - June 2023
- Phase I Construction Anticipated - February 2024
- Passive System; No Live Monitoring



# Request to Expand Scope of Project

- November 15 City Council Request to Expand:
  1. Other Public Facilities
  2. Public Areas (i.e. Downtown Manhattan Beach)
  3. City Parks (including Parking Lot Behind Senior Villas)
- Additional Costs Not Known
- Locations and Site Assessments Needed
- Power & Network Connections Needed

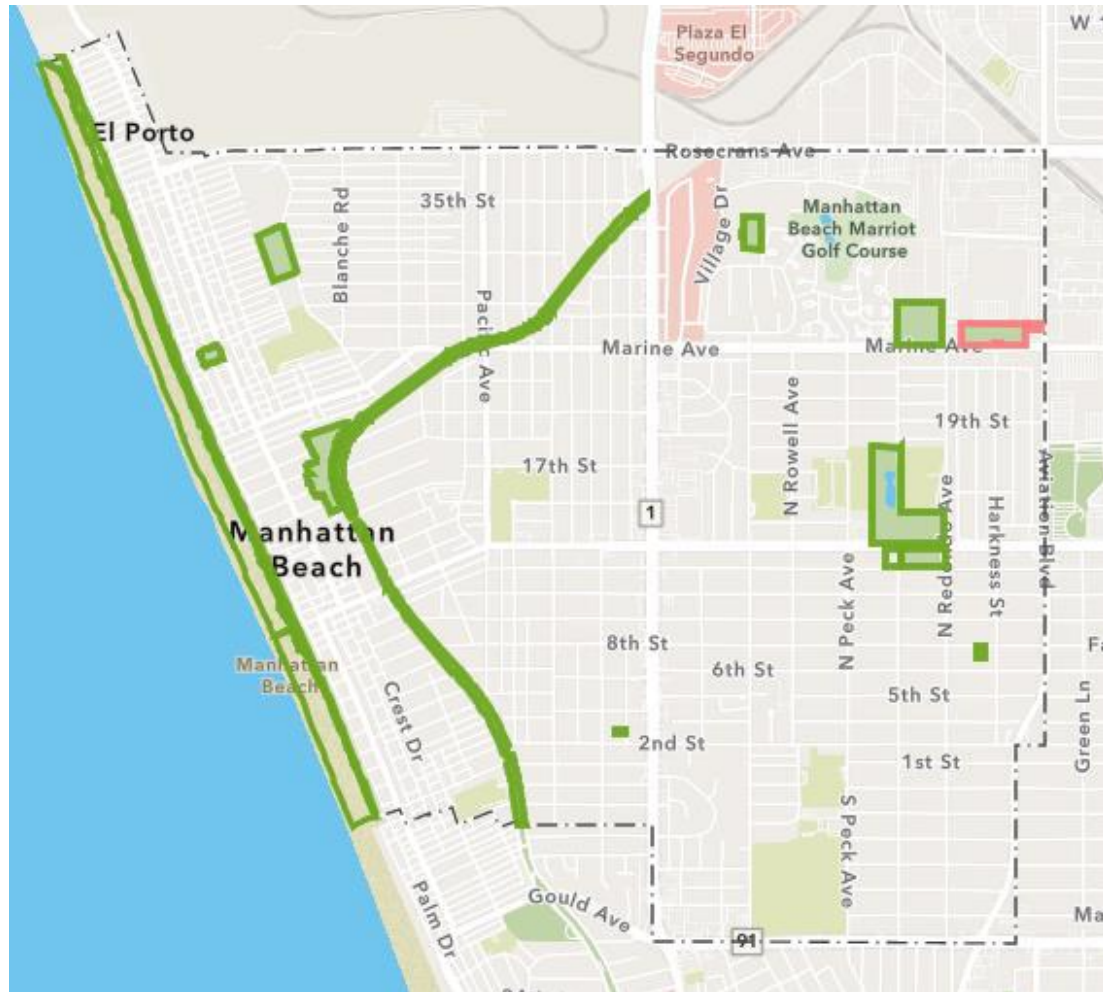


# Costing Considerations

- Current Project ~\$700,000 for 94 Cameras
  - Average \$7,500
- Power & Networking Issues
- Average Does Not Include Ongoing Costs:
  - Storage
  - Backup
  - Network Management
  - Camera Maintenance
  - Staff Support
- Also Does Not Include Live Monitoring



# City Parks and Facilities



# Summary

- Expansion Costs Potentially > \$10 Million
- City Council Direction Requested:
  - Process to Identify Additional Locations
  - Lump Sum or Annual Budget to Consider







**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director  
Katherine Doherty, City Engineer  
Bianca Cardenas, Associate Engineer

**SUBJECT:**

Consideration of Resolutions Awarding a Construction Agreement to Pavement Coatings Co. for the Slurry Seal Project Encompassing the North Area of the Sand Section (Area 7) for \$1,188,249; Approving a Construction Inspection Professional Services Agreement with Z & K Consultants, Inc. for \$52,224; and Approving an Additional Appropriation of \$177,448 from the Capital Improvements Program (CIP) Fund and a Public Arts Trust Fund Allocation of \$326,822 for the Project (Public Works Director Lee).

(Estimated Time: 15 Mins.)

**A) ADOPT RESOLUTION NOS. 23-0003 AND 23-0004**

**B) APPROPRIATE FUNDS**

**C) DISCUSS AND PROVIDE DIRECTION**

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**RECOMMENDATION:**

Staff recommends that City Council:

- a) Adopt Resolution No. 23-0003:
  - 1. Awarding a construction agreement to Pavement Coatings Co. for the Slurry Seal Project encompassing the north area of the Sand Section (Area 7) (Project) for \$1,188,249 and authorizing the City Manager to execute the agreement; and
  - 2. Approving the Final Plans and Specifications for the Project; and
  - 3. Authorizing the City Manager and/or his or her designee to approve additional work, if necessary, for up to \$204,138.
- b) Adopt Resolution No. 23-0004:
  - 1. Awarding a Construction Inspection Professional Services Agreement to Z & K Consultants, Inc. for the Project for \$52,224; and
  - 2. Authorizing the City Manager to execute the agreement.

- c) Appropriate an additional \$177,448 from the CIP Fund for the Project.
- d) Allocate \$326,822 from the Public Arts Trust Fund to reapply decorative crosswalks, and
- e) Discuss and provide direction on the design of the decorative crosswalks at the intersections of Highland Ave at 34th Street, 35th Street, 36th Street, and Rosecrans Avenue.

**FISCAL IMPLICATIONS:**

Funds for this Slurry Seal Project are programmed in the Streets & Highway Fund and CIP Fund. Subsequent to the adoption of the CIP budget, the area identified for asphalt preservation by the Manhattan Beach Unified School District (MBUSD) at Grand View Elementary School increased beyond the parking lot to include the playground area. To accommodate this increase in work, an appropriation of \$177,448 is required from the unreserved CIP Fund balance.

The Slurry Seal Project's base bid includes the preservation of asphalt in the vicinity of decorative crosswalks at the intersections of Highland Ave at 34th Street, 35th Street, 36th Street, and Rosecrans Avenue. Many of these crosswalks are showing wear and would benefit from repairs, but this would require the replacement of any decorative elements. The replacement of these decorative crosswalks would require an allocation of \$326,822 from the Public Arts Trust Fund.

Should City Council award the construction contract to Pavement Coatings Co., the City Manager will contract for the Base Bid and Additive Bid Items A, D, and E of the Project totaling \$1,188,249, along with a construction contingency of \$204,138, for a total not to exceed amount of \$1,392,387. Additionally, should City Council award an inspection services contract to Z & K Consultants, Inc., \$52,224 would need to be encumbered from the project budget.

The expected design, construction and inspection expenditures for this project total \$971,901 from the Streets & Highway Fund, \$227,448 from the CIP Fund, and \$326,822 from the Public Arts Trust Fund for a total of \$1,526,171, as outlined in the Budget and Expenditure Summary Report.

**BACKGROUND:**

**Biennial Slurry Seal Program**

The City is responsible for the repair and maintenance of approximately 100 centerline miles of streets, collectively one of the City's most valuable assets. On a biennial rotating basis, the City implements a slurry seal program for asphalt preservation in seven zones throughout the City.

This year, the City is continuing its slurry seal efforts in the north area of the Sand Section (Area 7), after recently completing the central area. This project's heavily traveled areas are adjacent to residences, shops, restaurants, and offices, and the streets exhibit conditions that qualify for slurry seal according to an assessment completed as part of a Pavement Management Report prepared for the City in 2021. That report describes the importance of pavement preservation and reiterates the fact that it costs much less to maintain streets in good condition than to repair streets that have failed. The area's roadway surfaces require crack seal and slurry seal applications to extend pavement life, improve safety, and reduce life cycle costs. It is worth

noting that some streets in the Sand Section will not receive slurry seal as part of this project because they were included in a previous cycle, they are anticipated to be resurfaced in the future as part of another project, or their current condition does not warrant a slurry seal treatment.

The main scope of work items for the Project include:

- Full-depth asphalt removal and replacement and patchwork for repair of small asphalt potholes, depressions, and distressed areas;
- Removal of lane striping, markers, markings;
- Crack seal to fill cracks prior to slurry seal placement;
- Slurry seal application, curing, monitoring; and
- Striping placement

Slurry Seal is a mixture of fine aggregates and emulsified asphalt. The sealant is applied in liquid form and dries in approximately four hours depending on temperature and humidity. This coating increases pavement life by mitigating water intrusion and improving skid resistance. Crews will first remove striping and perform small spot repairs for full-depth asphalt removal and replacement, patchwork, and crack seal prior to application of the slurry seal. This preliminary work should last no more than one day for each street segment treated, thus minimizing inconvenience to residents and businesses. Once the asphalt surface is prepared by these fixes, the slurry seal application, curing, monitoring and striping will follow. The final end product results in refreshed pavements with new striping.

**Slurry Seal of MBUSD:**

The Master Agreement between the City and MBUSD was executed in 2013 for the provision, use, and maintenance of educational, recreational, and community facilities and programs, with the most recent amendment's term extending through June 30, 2024. Per the agreement, the District is able and willing to provide the City with the use of educational and recreational facilities for use by the City in carrying out its programs for the benefit of its residents, including, but not limited to, athletic fields, playgrounds, play yards and play equipment, tennis courts, outdoor basketball courts, racket courts, swimming facilities, auditoriums, gymnasiums, classrooms, cafeterias, labs, multipurpose rooms, meeting rooms and open space. In exchange, the City is to incorporate the District's hardscape and associated parking lots into the City's periodic resurfacing and slurry seal program, at no cost to the District.

**DISCUSSION:**

**Project Striping and Pavement Markings:**

The City awarded a design contract to KOA Corporation in 2021 for design services needed to create striping plans and specifications for the Tree and Sand Section (Areas 6 & 7). To make use of the striping plans prepared by KOA for the North Sand Section, two amendments were executed to update the plans for Fiscal Year 2022-2023, and to incorporate the scope at Grand View Elementary School.

The project will maintain all travel lanes and street parking in the existing configuration. Bike

“sharrow” markings will be added on Highland Avenue between Marine Avenue and 45th Street in conformance with the proposed bike route in the City’s Mobility Plan. The sharrow markings will not change any rules-of-the-road or require changes to the roadway geometry. If City Council decides to omit the added sharrow markings from the striping plans, City Council can elect to award the contract noting the revision for change order, crediting the City for the deletion of work.

**Decorative Crosswalks**

On July 21, 2009, City Council approved the work plan submitted by the North Manhattan Beach Business Improvement District (NMB-BID) which consisted of improvements in the Highland Avenue right-of-way, and in the 2010 Highland Avenue Resurfacing Project, patterned crosswalks were installed at 4 intersections (8 crosswalks) along Highland Avenue as follows: Rosecrans Avenue (5 crosswalks), 36th Street, (1 crosswalk), 35th Street (1 crosswalk) and 34th Street (1 crosswalk).

Although Highland Avenue’s overall pavement quality is rated as “Very Good” in the Pavement Management Report prepared for the City in 2021, the decorative crosswalks are currently showing wear, most notably in the heavily used turn lane southbound from Highland Avenue onto Rosecrans Avenue’s eastbound lanes. City Staff recommends reapplying the eight crosswalks using an updated surface application technology that does not require the removal of asphalt and provides for easier maintenance. This placement technology was recently used for the scrambled and rainbow crosswalks that were installed in Downtown Manhattan Beach.

The NMB-BID is in the process of trademarking a new logo. On January 4, 2023, the NMB-BID Board approved a recommendation to City Council to maintain the patterned design and to place their logo in place of the existing circular surfboard graphics located on four crosswalks at Highland Avenue and Rosecrans Avenue.

**Construction Work**

In November 2022, bids for construction were solicited on a competitive basis in accordance with the provisions of the California Public Contract Code. The Project was advertised on the City of Manhattan Beach Public Works Department Bid Opportunities webpage, the City’s Bid Portal with PlanetBids (an online service that connects vendors, suppliers, and contractors to government procurement opportunities), and in the City’s publisher of record (The Beach Reporter).

A total of four bids were received and opened on December 15, 2022. The bid results are as follows:

<b><u>Contractor</u></b>	<b><u>Calculated Total Bid Amount</u></b>
Pavement Coatings Co.	\$1,297,196
American Asphalt South, Inc.	\$1,318,829
All American Asphalt	\$1,437,012
Roy Allan Slurry Seal, Inc.	\$1,446,229

All base bid and additive bid item submissions were analyzed for arithmetical errors, completeness, accuracy, etc. Staff reviewed the bid and contractor’s license for the apparent lowest bidder, Pavement Coatings Co., and found them to be in order. Additionally, references

indicate Pavement Coatings Co. has the knowledge and capability to complete the work in accordance with the plans and specifications.

Pavement Coatings Co. bid amount includes the base bid plus all additive bid areas as shown in the Location Map and as follows:

The Base Bid includes streets within the north area of the Sand Section. Additive Bid A includes work for MBUSD Grand View Elementary School Parking Lots and Playground. Additive Bid B includes work for City Parking Lot 6. Additive Bid C includes streets within the south area of the Sand Section. Additive Bid D includes Outdoor Dining Areas. Additive Bid E includes supply and installation of surface-applied decorative crosswalks.

<b><u>Bid Schedule</u></b>	<b><u>Bid Amount</u></b>
Base Bid	\$702,400.00
Additive Bid Schedule A	\$163,362.50
Additive Bid Schedule B	\$ 27,427.50
Additive Bid Schedule C	\$ 81,520.00
Additive Bid Schedule D	\$ 63,486.00
Additive Bid Schedule E	\$259,000.00

Given the low bid received and the anticipated additional project expenses identified in the attached Budget and Expenditures summary report, staff recommends an award of contract to Pavement Coatings Co. for the base bid and additive bid schedules A, D, & E scope of work only for \$1,188,249.

Staff recommends that the City Manager and/or his or her designee be authorized to approve up to \$204,138 (17% of the construction contract cost) for additional work resulting from unforeseen conditions. This contingency amount may only be utilized if additional design or repairs are determined to be necessary by City staff. Staff's goal is to maximize the amount of slurry seal work that can be accomplished with the total budget available this year, and the robust methodology used to identify the repair limits of full-depth asphalt removal, replacement, and patched areas has the potential to increase the repair effort.

Work is anticipated to begin in February 2023 and is expected to be completed in May 2023, to avoid impacting residents, visitors, and businesses throughout the summer months. The areas under the temporary outdoor dining decks currently located in the Right-of-Way of the commercial areas would receive slurry seal if the dining decks are removed by late April 2023. If they are not removed by this time, this additive bid item would have to be accomplished during another, future slurry seal project.

All travel lanes on Highland Avenue and Rosecrans Avenue shall be open between 5:00 a.m. and 8:30 a.m. and between 3:30 p.m. and 9:00 p.m. One travel lane in each direction shall be open at all times between 8:30 a.m. and 3:30 p.m. unless otherwise indicated on the plans or approved by the City Engineer. With the approval of the Engineer, flaggers may be used if one lane in each direction cannot be kept open. All traffic lanes shall be open before and after work hours.

## **Inspection Services**

The City issued a Request for Proposals on November 23, 2022, seeking full-time construction inspection services for the Project. The scope of work includes:

- Ensuring the contractor complies with the plans, specifications, and applicable standards;
- Performing field project oversight;
- Documenting the daily work performed by the contractor;
- Verifying the completed work; monitoring, providing supporting documentation and inspecting any additional work performed; and
- Preparing a list of items for correction.

Four proposals were received by the December 12, 2022 deadline. These proposals were evaluated by an evaluation committee of City staff according to the following selection criteria:

- Demonstrated understanding of the Scope of Services requested;
- Firm qualifications and experience performing similar work;
- Project/Construction management methods and quality control;
- Qualifications and experience of key personnel; and
- Consultant's familiarity with local (sensitivity) conditions.

Based on the selection criteria, Z & K Consultants, Inc. provided a responsive proposal. The assigned staff has excellent experience on similar projects, understands key project issues, and proposed an appropriate level of staffing for the size and complexity of the project. Z & K's methodology for executing the scope of work was clear and organized.

Z & K revised their proposal on December 19, 2022 to include Additive Bid Schedule E which was added during the contractor bid solicitation process, and the cost for providing inspection services for base bid and all additive item inspection services of the Project is \$59,392. Given the low bid received and the anticipated additional project expenses identified in the attached Budget and Expenditures summary report, staff recommends an award of Construction Inspection Services Agreement to Z & K Consulting, Inc. for only the base bid and additive bid schedules A, D, and E scope of work for \$52,224.

### **PUBLIC OUTREACH:**

Preliminary discussion and planning will remain ongoing with the North Manhattan Beach Business Improvement District (NMB-BID), the Downtown Business and Professionals Association (DBPA), and the Manhattan Beach Chamber of Commerce regarding project details. The businesses and residents impacted by this project will be provided advance information regarding the project, including dates and times of construction. Contact information will also be provided for residents who require additional information. Notices will be sent to residences adjacent to the work once the project timeline has been confirmed and work is ready to commence.

### **ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed project for compliance with the California Environmental

Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to Section 15301 Class 1 (repair and maintenance of existing public facilities, involving negligible or no expansion of use) of the State CEQA Guidelines. A Notice of Exemption was filed with the Los Angeles County Clerk's Office for the Project.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 23-0003
2. Agreement - Pavement Coatings Co.
3. Bid Proposal - Pavement Coatings Co.
4. Resolution No. 23-0004
5. Agreement - Z & K Consultants, Inc.
6. Plans and Specifications (Web-Link Provided)
7. Budget Expenditure Summary Report
8. Location Map
9. PowerPoint Presentation

RESOLUTION NO. 23-0003

RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL AWARDING A CONSTRUCTION CONTRACT TO PAVEMENT COATINGS CO. FOR THE SLURRY SEAL PROJECT ENCOMPASSING THE NORTH AREA OF THE SAND SECTION (AREA 7); AUTHORIZING THE CITY MANAGER TO APPROVE ADDITIONAL WORK, IF NECESSARY; APPROVING THE FINAL PLANS AND SPECIFICATIONS FOR THE SLURRY SEAL PROJECT ENCOMPASSING THE NORTH AREA OF THE SAND SECTION (AREA 7); AND APPROPRIATING \$177,448.00 FROM THE UNRESERVED CIP FUND BALANCE FOR THE PROJECT.

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves that certain agreement (“Agreement”) between the City of Manhattan Beach and Pavement Coatings Co. (“Contractor”), dated January 17, 2023, for the Slurry Seal Project encompassing the north area of the Sand Section (Area 7) (“Project”), in the amount of \$1,188,249.00.

SECTION 2. The City Council hereby approves the final plans and specifications for the Project.

SECTION 3. The City Council hereby authorizes and directs the City Manager to execute the Agreement and further authorizes the City Manager to pay Contractor up to an additional \$178,238.00 for additional work, if necessary.

SECTION 4. The City Council hereby approves an appropriation of \$177,448.00 from the unreserved CIP Fund balance for the Project.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Resolution.

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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STEVE NAPOLITANO  
Mayor

ATTEST:

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LIZA TAMURA  
City Clerk



## CONTRACT

### **CITY OF MANHATTAN BEACH CONTRACT FOR SLURRY SEAL PROJECT – NORTH AREA OF SAND SECTION**

THIS CONTRACT (“Contract”) is made and entered this 17th day of January, 2023 (“Effective Date”), by and between the CITY OF MANHATTAN BEACH, a California municipal corporation (“City”) and Pavement Coatings Co., a California Corporation (“Contractor”). The Contractor’s California State Contractor’s license number is 303609.

In consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Contract Documents. The Contract Documents consist of this Contract, the Notice Inviting Bids, Instructions to Bidders, Bid (including documentation accompanying the Bid and any post-Bid documentation submitted before the Notice of Award), the Bonds, permits from regulatory agencies with jurisdiction, General Provisions, Special Provisions, Plans, Standard Plans, Standard Specifications, Reference Specifications, Addenda, Change Orders, and Supplemental Agreements. The Contract Documents are attached hereto and incorporated herein by reference.

2. Scope of Services. The Contractor shall perform and provide all materials, tools, equipment, labor, and services necessary to complete the Work in a good and workmanlike manner for the Slurry Seal Project – North Area of the Sand Section (“Project”), as described in the Contract identified as Documents.

3. Compensation.

3.1 Contract Price and Basis for Payment. In consideration for the Contractor’s full, complete, and timely performance of the Work required by the Contract Documents, the City shall pay the Contractor for the actual quantity of Work required under the Bid Items awarded by the City performed in accordance with the lump sum prices and unit prices for Bid Items, set forth in the Bidder’s Proposal submitted with the Bid. The sum of the unit prices and lump sum prices for the Bid Items, awarded by the City is **\$1,188,249** (“Contract Price”) for only the base bid, additive bid schedules A, D, and E. It is understood and agreed that the quantities set forth in the Bidder’s Proposal for which unit prices are fixed are estimates only and that the City will pay and the Contractor will accept, as full payment for these items of work, the unit prices set forth in the Bidder’s Proposal multiplied by the actual number of units performed, constructed, or completed as directed by the Engineer.

3.2 Payment Procedures. Based upon applications for payment submitted by the Contractor to the City, the City shall make payments to the Contractor in accordance with Section 7 of the Standard Specifications, as modified by Section 7 of the General Provisions.

4. Contract Time.

4.1 Initial Notice to Proceed. The City shall issue the “Notice to Proceed to Fulfill Preconstruction Requirements and Order Materials.” The date specified in the Notice to Proceed to Fulfill Preconstruction Requirements and Order Materials constitutes the date of commencement of the Contract Time of **51 Working Days**. The Contract Time includes the time necessary to fulfill preconstruction requirements, place the order for materials, and to complete construction of the Project (except as adjusted by subsequent Change Orders).

The Notice to Proceed to Fulfill Preconstruction Requirements and Order Materials shall further specify that the Contractor must complete the preconstruction requirements and order materials within **10 Working Days** after the date of commencement of the Contract Time; this duration is part of the Contract Time.

Preconstruction requirements include, but are not limited to, the following:

- Submit and obtain approval of Baseline Schedule
- Submit Construction and Demolition Waste Management Plan
- Submit and obtain approval of Traffic Control Plans
- Submit and obtain approval of the Water Pollution Control Plan (WPCP)
- Submit Monument Inventory List
- Install approved Changeable Message Signs
- Obtain approved Permits from all applicable agencies
- Obtain rights to use a construction yard, if applicable
- Notify all agencies, utilities, residents, etc., as outlined in the Contract Documents
- Submit and obtain approval of a Project Staffing List with contact information, a Project Emergency Contact List, and Illness Prevention Program.
- Submit and obtain approval of critical required submittals listed in the Contract Documents and Special Provisions (i.e., asphalt and base materials, patch materials, crack sealant, slurry mix design, sealcoat, reflective pavement markers and adhesive, thermoplastic, decorative crosswalk or approved equal, paint, reflective glass beads, galvanized rebar spikes, rapid dry waterborne paint, parking wheel stop anchor, etc.)

4.2 Not Used

4.3 Not Used

4.4 Notice to Proceed with Construction. After all preconstruction requirements are met and materials have been ordered in accordance with the Notice to Proceed to Fulfill Preconstruction Requirements and Order Materials, the City shall issue the “Notice to Proceed with Construction,” at which time the Contractor shall diligently prosecute the Work, including corrective items of Work, day to day thereafter, within the remaining Contract Time.

5. Liquidated Damages for Delay and Control of Work.

5.1 Liquidated Damages. The Contractor and the City have agreed to liquidate damages pursuant to Section 6-9 of the General Provisions.

6. Early Completion.

6.1 Not Used

6.2 City Not Liable for Contractor Failure to Achieve Early Completion. While the Contractor may schedule completion of all of the Work, or portions thereof, earlier than the Contract Time, the City is exempt from liability for and the Contractor will not be entitled to an adjustment of the Contract Sum or to any additional costs, damages, including, but not limited to, claims for extended general conditions costs, home office overhead, jobsite overhead, and management or administrative costs, or compensation whatsoever, for use of float time or for the Contractor's inability to complete the Work earlier than the Contract Time for any reason whatsoever.

7. Work after Stop Work Notice. Any work completed by the Contractor after the issuance of a Stop Work Notice by the City shall be rejected and/or removed and replaced as specified in the applicable Section of the Special Provisions.

8. Antitrust Claims. In entering into this Contract, the Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. § 15) or under the Cartwright Act (Business and Professions Code Section 16700 *et seq.*) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor without further acknowledgment by the parties.

9. Prevailing Wages. The City and the Contractor acknowledge that the Project is a public work to which prevailing wages apply.

10. Workers' Compensation. Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of Labor Code Section 1861, by signing this Contract, the Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

11. Titles. The titles used in this Contract are for convenience only and shall in no way define, limit or describe the scope or intent of this Contract or any part of it.

12. Authority. Any person executing this Contract on behalf of the Contractor warrants and represents that he or she has the authority to execute this Contract on behalf of the Contractor and has the authority to bind the Contractor to the performance of its obligations hereunder.

13. Entire Agreement. This Contract, including the Contract Documents and any other documents incorporated herein by specific reference, represents the entire and integrated Contract between the City and the Contractor. This Contract supersedes all prior oral or written negotiations, representations or agreements. This Contract may not be modified or amended, nor any provision or breach waived, except in a writing signed by both parties that expressly refers to this Contract.

14. Counterparts. This Contract may be executed in counterpart originals, duplicate originals, or both, each of which is deemed to be an original for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Contract the day and year first above written.

CITY:

City of Manhattan Beach,  
a California municipal corporation

By: \_\_\_\_\_  
Name: Bruce Moe  
Title: City Manager

ATTEST:

By: \_\_\_\_\_  
Name: Liza Tamura  
Title: City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

By: \_\_\_\_\_  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

By: \_\_\_\_\_  
Name: Erick Lee  
Title: Public Works Director

CONTRACTOR:

[Pavement Coatings Co.]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PROOF OF AUTHORITY TO BIND  
CONTRACTING PARTY REQUIRED**

## Bid Results

### Bidder Details

**Vendor Name** Pavement Coatings Co.  
**Address** 10240 San Sevaine Way  
 Jurupa Valley, California 91752  
 United States  
**Respondee** James Wu  
**Respondee Title** Vice President  
**Phone** 714-826-3011  
**Email** esalmeron@pavementrecycling.com  
**Vendor Type** CADIR  
**License #**  
 CADIR 1000003382

### Bid Detail

**Bid Format** Electronic  
**Submitted** 12/15/2022 12:46 PM (PST)  
**Delivery Method**  
**Bid Responsive**  
**Bid Status** Submitted  
**Confirmation #** 312927

### Respondee Comment

### Buyer Comment

### Attachments

File Title	File Name	File Type
Bidder's Proposal - Contractor's Statement.pdf	Bidder's Proposal - Contractor's Statement.pdf	Bidder's Proposal - Contractor's Statement
Noncollusion Declaration Form.pdf	Noncollusion Declaration Form.pdf	Noncollusion Declaration Form
Evidence of capacity of the person(s) signing the Bid to bind the Bidder.pdf	Evidence of capacity of the person(s) signing the Bid to bind the Bidder.pdf	Evidence of capacity of the person(s) signing the Bid to bind the Bidder
Addendum No. 1 Signed.pdf	Addendum No. 1 Signed.pdf	Addendum No. 1 Signed
Bid Bond.pdf	Bid Bond.pdf	Bid Bond

## Subcontractors

Showing 5 Subcontractors

Name & Address	Desc	License Num	CADIR	Amount	Type
<b>Case Land Surveying, Inc.</b> 614 N. Eckhoff Street Orange, California 92868	Surveying	L5411	1000001533	\$97,695.00	
<b>Mission Paving and Sealing, Inc.</b> 12747 Schabarum Avenue Irwindale, California 91706-6807	Seal Coat	624257	1000002697	\$36,355.00	MBE
<b>Onyx Paving Company, Inc</b> 2890 East La Cresta Ave Anaheim, California 92806	Asphalt and Crack Seal	630360	1000004798	\$113,300.00	CADIR
<b>Shariden Design Asphalt</b> PO Box 285 Alpine, California 91903	Decorative Crosswalks	760168	1000395044	\$228,335.00	
<b>Superior Pavement Markings</b> 5312 Cypress Street Cypress, California 90630	Striping	776306	1000001476	\$346,203.00	

## Line Items

Discount Terms No Discount

Item #	Item Code	Type	Item Description	UOM	QTY	Unit Price	Line Total	Response	Comment
<b>Base Bid Schedule</b>							<b>\$702,400.00</b>		
1	%		Mobilization (5% maximum of Total Bid Price)	LS	1	\$33,000.00	\$33,000.00	Yes	
2	%		Traffic Control (5% maximum of Total Bid Price)	LS	1	\$33,000.00	\$33,000.00	Yes	
3	%		Stormwater Control, BMPs, NPDES Compliance, and Permit	LS	1	\$68,200.00	\$68,200.00	Yes	
4	S, C		Monument Preservation, Restoration, Survey, Valve and Manhole tape-off and removal	LS	1	\$95,000.00	\$95,000.00	Yes	
5			Full Depth Asphalt Removal and Replacement	SF	1000	\$31.00	\$31,000.00	Yes	
6			Patchwork	SF	1000	\$21.00	\$21,000.00	Yes	
7			Asphalt Pavement Grinding	LF	100	\$52.00	\$5,200.00	Yes	
8	%		Crack Seal	LS	1	\$34,000.00	\$34,000.00	Yes	
9			Slurry Seal	SY	64000	\$3.00	\$192,000.00	Yes	
10	S, %		Signing and Striping	LS	1	\$185,000.00	\$185,000.00	Yes	
11	%		Special Project Site Maintenance and Public Convenience and Safety	LS	1	\$5,000.00	\$5,000.00	Yes	
<b>Additive Bid Schedule A (MBUSD Grand View Elementary Parking Lots and Playground)</b>							<b>\$163,362.50</b>		
12	%		Traffic Control (5% maximum of Total Bid Price)	LS	1	\$7,500.00	\$7,500.00	Yes	
13	%		Stormwater Control, BMPs, NPDES Compliance, and Permit	LS	1	\$6,500.00	\$6,500.00	Yes	
14	S, C		Monument Preservation, Restoration, Survey, Valve and Manhole tape-off and removal	LS	1	\$25.00	\$25.00	Yes	
15			Full Depth Asphalt Removal and Replacement	SF	50	\$31.00	\$1,550.00	Yes	
16			Patchwork	SF	50	\$21.00	\$1,050.00	Yes	
17			Asphalt Pavement Grinding	LF	25	\$52.00	\$1,300.00	Yes	
18	S, %		Pressure Wash Removal of Playground Paint	LS	1	\$27,000.00	\$27,000.00	Yes	
19	%		Crack Seal	LS	1	\$50.00	\$50.00	Yes	
20			Sealcoat	SY	7900	\$3.40	\$26,860.00	Yes	
21	S, %		Playground Paint/Striping	LS	1	\$39,000.00	\$39,000.00	Yes	
22	S, %		Signing and Striping (Parking Lot)	LS	1	\$44,000.00	\$44,000.00	Yes	
23			Painted Curb	LF	525	\$2.10	\$1,102.50	Yes	
24			Parking Stop Removal and Reinstallation	EA	33	\$85.00	\$2,805.00	Yes	
25			Asphalt Berm Removal and Replacement	LF	60	\$52.00	\$3,120.00	Yes	
26	%		Special Project Site Maintenance and Public Convenience and Safety	LS	1	\$1,500.00	\$1,500.00	Yes	
<b>Additive Bid Schedule B (City Parking Lot 6)</b>							<b>\$27,427.50</b>		
27	%		Traffic Control (5% maximum of Total Bid Price)	LS	1	\$1,000.00	\$1,000.00	Yes	
28	%		Stormwater Control, BMPs, NPDES Compliance, and Permit	LS	1	\$4,000.00	\$4,000.00	Yes	
29	S, C		Monument Preservation, Restoration, Survey, Valve and Manhole tape-off and removal	LS	1	\$25.00	\$25.00	Yes	
30			Full Depth Asphalt Removal and Replacement	SF	50	\$31.00	\$1,550.00	Yes	
31			Patchwork	SF	50	\$21.00	\$1,050.00	Yes	
32	%		Crack Seal	LS	1	\$50.00	\$50.00	Yes	
33			Sealcoat	SY	935	\$11.50	\$10,752.50	Yes	
34	S, %		Signing and Striping	LS	1	\$9,000.00	\$9,000.00	Yes	
<b>Additive Bid Schedule C (South Area of Sand Section)</b>							<b>\$81,520.00</b>		
35	%		Traffic Control (5% maximum of Total Bid Price)	LS	1	\$3,800.00	\$3,800.00	Yes	
36	%		Stormwater Control, BMPs, NPDES Compliance, and Permit	LS	1	\$6,000.00	\$6,000.00	Yes	
37	S, C		Monument Preservation, Restoration, Survey, Valve and Manhole tape-off and removal	LS	1	\$7,500.00	\$7,500.00	Yes	
38			Full Depth Asphalt Removal and Replacement	SF	100	\$32.00	\$3,200.00	Yes	
39			Patchwork	SF	100	\$21.00	\$2,100.00	Yes	
40	%		Crack Seal	LS	1	\$1,500.00	\$1,500.00	Yes	
41			Slurry Seal	SY	7605	\$4.00	\$30,420.00	Yes	
42	S, %		Signing and Striping	LS	1	\$27,000.00	\$27,000.00	Yes	
<b>Additive Bid Schedule D (Outdoor Dining Areas)</b>							<b>\$63,486.00</b>		
43	%		Traffic Control (5% maximum of Total Bid Price)	LS	1	\$2,800.00	\$2,800.00	Yes	
44	%		Stormwater Control, BMPs, NPDES Compliance, and Permit	LS	1	\$2,700.00	\$2,700.00	Yes	
45	S, C		Monument Preservation, Restoration, Survey, Valve and Manhole tape-off and removal	LS	1	\$11,100.00	\$11,100.00	Yes	



Item #	Item Code	Type	Item Description	UOM	QTY	Unit Price	Line Total	Response	Comment
46			Full Depth Asphalt Removal and Replacement	SF	50	\$32.00	\$1,600.00	Yes	
47			Patchwork	SF	50	\$21.00	\$1,050.00	Yes	
48	%		Crack Seal	LS	1	\$1,836.00	\$1,836.00	Yes	
49			Slurry Seal	SY	1200	\$12.00	\$14,400.00	Yes	
50	S, %		Signing and Striping	LS	1	\$28,000.00	\$28,000.00	Yes	
<b>Additive Bid Schedule E (Decorative Crosswalks)</b>							<b>\$259,000.00</b>		
51	%		Traffic Control (5% maximum of Total Bid Price)	LS	1	\$11,500.00	\$11,500.00	Yes	
52	S, %		Decorative Crosswalks	SF	5500	\$45.00	\$247,500.00	Yes	

## Line Item Subtotals

Section Title	Line Total
Base Bid Schedule	\$702,400.00
Additive Bid Schedule A (MBUSD Grand View Elementary Parking Lots and Playground)	\$163,362.50
Additive Bid Schedule B (City Parking Lot 6)	\$27,427.50
Additive Bid Schedule C (South Area of Sand Section)	\$81,520.00
Additive Bid Schedule D (Outdoor Dining Areas)	\$63,486.00
Additive Bid Schedule E (Decorative Crosswalks)	\$259,000.00
<b>Grand Total</b>	<b>\$1,297,196.00</b>

**BIDDER'S PROPOSAL – CONTRACTOR'S STATEMENT**

**SLURRY SEAL PROJECT – NORTH AREA OF SAND SECTION**

Fill out all of the following information. Attach additional sheets if necessary.

- (1) Bidder's Name: Pavement Coatings Co.
  
- (2) If the Bidder's name is a fictitious name, who or what is the full name of the registered owner? If the Bidder's name is not a fictitious name, write "N/A" in the response to this question. If you are doing business under a fictitious name, provide a copy of the filed valid Fictitious Business Name Statement.  
N/A
  
- (3) Business Address: 10240 San Sevaine Way, Jurupa Valley, CA 91752
  
- (4) Telephone: 714-826-3011 Email: Jwu@pavementrecycling.com
  
- (5) Type of Firm – Individual, Partnership, LLC or Corporation: Corporation
  
- (6) Corporation organized under the laws of the State of: California
  
- (7) California State Contractor's License Number and Class: 303609, A, C-32  
Original Date Issued: 3/3/1975 Expiration Date: 09/30/2024
  
- (8) DIR Contractor Registration Number: 1000003382
  
- (9) List the name and title of the person(s) who inspected the Project site for your firm:  
James Wu - Vice President
  
- (10) Number of years' experience the company has as a contractor in construction work: 47
  
- (11) List the names, titles, addresses and telephone numbers of all individuals, firm members, partners, joint ventures, and company or corporate officers having a principal interest in this Bid:  
Doug Ford - President - 10240 San Sevaine Way Jurupa Valley, CA 91752 / 714-826-3011  
James Wu- Vice President - 10240 San Sevaine Way Jurupa Valley, CA 91752 / 714-826-3011  
Tom Mucenski- Secretary - 10240 San Sevaine Way Jurupa Valley, CA 91752 / 714-826-3011
  
- (12) List all current and prior D.B.A.'s, aliases, and fictitious business names for any principal having interest in this Bid: N/A

(13) List the dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this Bid: N/A

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(14) For all arbitrations, lawsuits, settlements and the like (in or out of court) that the company or any principal having an interest in this Bid has been involved with in the past five years:

a. List the names, addresses and telephone numbers of contact persons for the parties:

N/A

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b. Briefly summarize the parties' claims and defenses:

N/A

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c. State the tribunal (e.g., Superior Court, American Arbitration Association, etc.), the matter number, and the outcome:

N/A

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(15) Has the company or any principal having an interest in this Bid ever had a contract terminated by the owner or agency? If yes, explain.

N/A

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(16) Has the company or any principal having an interest in this Bid ever failed to complete a project? If yes, explain.

N/A

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(17) Has the company or any principal having an interest in this Bid ever been terminated for cause, even if it was converted to a "termination of convenience"? If yes, explain.

N/A

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(18) For projects that the company or any principal having an interest in this Bid has been involved with in the last five years, did you have any claims or actions:

- a. By you against the owner? Circle one: Yes  No
- b. By the owner against you? Circle one: Yes  No
- c. By any outside agency or individual for labor compliance?  
Circle one: Yes  No
- d. By Subcontractors? Circle one: Yes  No
- e. Are any of these claims or actions unresolved or outstanding?  
Circle one: Yes  No

If your answer is "yes" to any part or parts of this question, explain.

N/A

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(19) Has the company or any of its principals ever been debarred by any agencies? Is yes, please explain.

N/A

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(20) For all public agency projects in excess of \$15,000.00 that you are currently working on or have worked on in the past two years, provide the following information:

**Project 1 Name/Number** 2021 Annual Street Maintenance Project

**Project Description** Slurry Seal

**Approximate Construction Dates** From: 08/30/2021 To: 11/02/2021

**Agency Name:** City of Malibu

**Contact Person:** Jenna Sobrieray **Telephone:** 310-456-2489

**Address:** 23825 Stuart Ranch Rd. 310-456-2489 Malibu, CA 90265-4861

**Original Contract Amount:** \$ 660,485.00 **Final Contract Amount:** \$ 630,003.04

If final amount is different from original amount, please explain (change orders, extra work, etc.).

**Quantity Under Run**

Did you or any Subcontractor, file any claims against the Agency?

Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

**Project 2 Name/Number** 2021-2022 Street Maintenance, Bid No. 21-014

**Project Description** Type I and II Slurry Seal

**Approximate Construction Date** From: 7/26/2021 To: 9/15/2021

**Agency Name:** City of Poway

**Contact Person:** Jeff Beers **Telephone:** 858-668-4624

**Address:** 13325 Civic Center Drive Poway, CA 92074-0789

**Original Contract Amount:** \$ 1,084,416.00 **Final Contract Amount:** \$ 1,082,625

If final amount is different from original amount, please explain (change orders, extra work, etc.).

**Quantity Under Run**

Did you or any Subcontractor, file any claims against the Agency?

Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

**Project 3 Name/Number** Citywide Slurry Seal Project, Phase 2 Job No. 41140

**Project Description** Type II Slurry Seal

**Approximate Construction Dates** From: 8/23/2021 To: 10/31/2021

**Agency Name:** City of Redondo Beach

**Contact Person:** Javier Urista Telephone: 310-318-0661

**Address:** 415 Diamond Street Redondo Beach, CA 90277

**Original Contract Amount:** \$ 720,725.00 **Final Contract Amount:** \$ 774,712.44

If final amount is different from original amount, please explain (change orders, extra work, etc.).

Quantity Over Run / Change Order Added Work

Did you or any Subcontractor, file any claims against the Agency?

Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

**Project 4 Name/Number** CIP No. ST001, Annual Surface Seal Project 2020

**Project Description** Type II Slurry Seal

**Approximate Construction Dates** From: 2/15/2021 To: 5/14/2021

Agency Name: City of San Marcos

Contact Person: Jason Linsdau Telephone: 760-752-7550

Address: 201 Mata Way San Marcos, CA 92069

Original Contract Amount: \$ 1,675,347.00 Final Contract Amount: \$ 1,899,169

If final amount is different from original amount, please explain (change orders, extra work, etc.).

Change Orders - Added Work

Did you or any Subcontractor, file any claims against the Agency?

Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

**Project 5 Name/Number** Liberty Village Pavement Rehabilitation, Project CC21-103

**Project Description** Slurry Seal and Micro-Surfacing

**Approximate Construction Dates** From: 6/1/2021 To: 8/24/2021

**Agency Name:** City of Victorville

**Contact Person:** Ryan Schultz **Telephone:** 760-243-6358

**Address:** 14343 Civic Drive Victorville, CA 92393-5001

**Original Contract Amount:** \$ 1,802,205.00 **Final Contract Amount:** \$ 1,591,398.00

If final amount is different from original amount, please explain (change orders, extra work, etc.).

Quantity Under Run

Did you or any Subcontractor, file any claims against the Agency?

Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No



If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

Project 6 Name/Number RMD JOC 6681-300 139th St. Phase 1 W. Rancho Dominguez

Project Description RAP Micro-surfacing, Slurry Seal, Chip Seal, Scrub Seal

Approximate Construction Dates From: 7/6/2021 To: 8/6/2021

Agency Name: Los Angeles County Public Works

Contact Person: Ossama Ghanim Telephone: 310-348-6448

Address: 900 South Fremont Ave. Alhambra, CA 91803-1331

Original Contract Amount: \$ 675,093.00 Final Contract Amount: \$ 641,794.00

If final amount is different from original amount, please explain (change orders, extra work, etc.).

Quantity Under Run

Did you or any Subcontractor, file any claims against the Agency?

Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

[Continue to Next Page]


Upon request of the City, the Bidder shall furnish evidence showing a notarized financial statement, financial data, construction experience, or other additional information.

Failure to provide truthful answers to the questions above or in the following References Form may result in the Bid being deemed non-responsive.

Urban Runoff Certification. The Bidder certifies to the City that he/she has trained his/her employees and Subcontractors, if any, for Urban Runoff management and has included sufficient sums in the Bid Price to cover such costs of training as stipulated in the most current Regional Water Quality Control Board requirements, including the Municipal Separate Storm Sewer System National Pollutant Discharge Elimination System (NPDES) Permit. The Contractor is responsible for all clean up and payment of all fines levied as a result of any illegal discharge (as defined in NPDES permit) occurring as a result of the Contractor's Work and/or operations.

I, the undersigned, certify and declare that I have read all the foregoing answers to the Bidder's Proposal – Contractor's Statement and know their contents. The matters stated in the Bidder's Proposal – Contractor's Statement answers are true of my own knowledge and belief, except as to those matters stated on information and belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is correct.

Company

Signature: 

Name: James Wu

Title: Vice President

Date: 12/13/2022

Signature: 

Name: Tom Mucenski

Title: Secretary

Date: 12/13/2022

**BID BOND**

**SLURRY SEAL PROJECT – NORTH AREA OF SAND SECTION**

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Manhattan Beach ("City"), has issued an invitation for Bids for the Work described as follows: Slurry Seal Project - North Area of Sand Section (Construction)

WHEREAS Pavement Coatings Co., 10240 San Sevaine Way, Jurupa Valley CA 91752

*(Name and address of Bidder)*

("Principal"), desires to submit a Bid to City for the Work.

WHEREAS, Bidders are required to furnish a form of Bidder's security with their Bids.

NOW, THEREFORE, we, the undersigned Principal, and The Ohio Casualty Insurance Company,

175 Berkeley Street, Boston, Massachusetts 02116

*(Name and address of Surety)*

("Surety"), a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of Ten Percent of Amount Bid Dollars (\$ 10% of Amt. Bid), being not less than ten percent of the total Bid price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal is awarded the Contract for the Work by the City and, within the time and in the manner required by the bidding specifications, enters into the written form of Contract included with the bidding specifications, furnishes the required Bonds (one to guarantee faithful performance and the other to guarantee payment for labor and materials), and furnishes the required insurance coverage, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

In case suit is brought upon this instrument, Surety further agrees to pay all court costs incurred by the City in the suit and reasonable attorneys' fees in an amount fixed by the court. Surety hereby waives the provisions of Civil Code Section 2845.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: December 9, 2022

"Principal"

Name: Pavement Coatings Co.  
Address: 10240 San Seavine Way,  
Jurupa Valley CA 91752  
Telephone No.: (951) 790-6687

Signature: [Signature]  
Print Name: James Wu  
Title: Vice President  
Date: 12/13/2022

Signature: [Signature]  
Print Name: Tom Mucenka  
Title: SPONTAN  
Date: 12-13-22

"Surety"

Company Name: The Ohio Casualty Insurance Company  
Address: 175 Berkeley Street  
Boston, Massachusetts 02116  
Telephone No.: (714) 634-5717

Signature: [Signature]  
Print Name: Brian A. McGoldrick  
Title: Attorney-in-Fact  
Date: 12/9/2022

**NOTE:** *This Bond must be dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.*

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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

State of California )  
County of San Bernardino )

On December 9, 2022 before me, Brigid Lopez, Notary Public,  
*Date Here Insert Name and Title of the Officer*  
personally appeared Brian A. McGoldrick  
*Name(s) of Signer(s)*

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

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

WITNESS my hand and official seal.



Signature *Brigid Lopez*  
*Signature of Notary Public*

*Place Notary Seal Above*

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

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

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: 8208193-971991

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Brian A. McGoldrick, Brigid Lopez, Evett Lam, Marisella Rivera

all of the city of Placentia state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 21st day of June, 2022.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: [Signature]
David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 21st day of June, 2022 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2025
Commission number 1126044
Member, Pennsylvania Association of Notaries

By: [Signature]
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 9th day of December, 2022.



By: [Signature]
Renee C. Llewellyn, Assistant Secretary

LMS-12873LMIC OCIC WAIC Multi Co 02/21

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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

State of California )  
County of Riverside )  
On December 13, 2022 before me, Melissa Ailshie, Notary Public  
*Date Here Insert Name and Title of the Officer*  
personally appeared James Wu  
*Name(s) of Signer(s)*

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

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

WITNESS my hand and official seal.



Signature Melissa Ailshie  
*Signature of Notary Public*

*Place Notary Seal Above*

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: Bid Bond Document Date: 12/09/2022  
Number of Pages: 1 Signer(s) Other Than Named Above: \_\_\_\_\_

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

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

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

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

State of California )  
County of Riverside )  
On December 13, 2022 before me, Melissa Ailshie, Notary Public  
*Date Here Insert Name and Title of the Officer*  
personally appeared Tom Mucenski  
*Name(s) of Signer(s)*

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

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

WITNESS my hand and official seal.



Signature Melissa Ailshie  
*Signature of Notary Public*

*Place Notary Seal Above*

**OPTIONAL**

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 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

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



**NONCOLLUSION DECLARATION FORM  
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID  
[Public Contract Code Section 7106]**

**SLURRY SEAL PROJECT – NORTH AREA OF SAND SECTION**

The undersigned declares:

I am the Vice President of Pavement Coatings Co., the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham Bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the Bid price, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted his or her Bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, Bid depository, or to any member or agent thereof, to effectuate a collusive or sham Bid, and has not paid, and will not pay, any Person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 12/13/2022 [date], at Jurupa Valley [city], California [state].

Signature: 

Printed Name: James Wu - Vice President

Date: 12/13/2022

Signature: 

Printed Name: Tom Mucenski - Secretary

Date: 12/13/2022

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

**GOVERNMENT CODE § 8202**

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

\_\_\_\_\_

*Signature of Document Signer No. 1*                      *Signature of Document Signer No. 2 (if any)*

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

State of California  
 County of   Riverside  

Subscribed and sworn to (or affirmed) before me  
 on this 13th day of December, 2022,  
 by           *Date*                                      *Month*                                      *Year*  
 (1)    James Wu  
 (and (2) \_\_\_\_\_),  
    *Name(\$)* of Signer(\$)



proved to me on the basis of satisfactory evidence  
 to be the person(\$\$) who appeared before me.

Signature    *Melissa Ailshie*  
    *Signature of Notary Public*

*Seal*  
 Place Notary Seal Above

**OPTIONAL**

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

**Description of Attached Document**  
 Title or Type of Document:   Non-Collusion Declaration                        Document Date:   12/12/2022    
 Number of Pages:   1   Signer(s) Other Than Named Above: \_\_\_\_\_





**CITY OF MANHATTAN BEACH PUBLIC WORKS  
ENGINEERING DIVISION**

3621 Bell Avenue, Manhattan Beach, CA 90266

**WEBSITE:** www.citymb.info **PHONE:** (310) 802-5353 **FAX:** (310) 802-5351 **TDD:** (310) 546-3501

**CITY OF MANHATTAN BEACH**

**ADDENDUM NO. 1**

**SLURRY SEAL PROJECT – NORTH AREA OF THE SAND SECTION**

This Addendum shall take precedence over any conflicting information contained either in the plans, specifications, or advertisement of Notice Inviting Bids for the Slurry Seal Project North Area of the Sand Section (Project No: T-260B Bid No.: EI270-22C). Bidders shall incorporate the information contained in this Addendum in their bids, conform to all of the instructions contained herein in the preparation of a bid, and shall sign and submit this Addendum as a portion of the Contractor’s Proposal as an indication of understanding and compliance with this Addendum.

Please note the following revisions to the Request for Bid documents.

**1. Notice Inviting Bids**

- a) The City has extended the bid duration and will receive ELECTRONIC BIDS ONLY up to 1:00 p.m. on Thursday, December 15, 2022, at which time the ELECTRONIC bids will be opened and posted on PlanetBids.
- b) Additional Working Days may be granted for Additive Bid Schedule E (3 total Working Days). Working Days for additive bid schedules, if awarded, are in addition to the Base Bid Working Days.

**2. Bid Schedule**

- a) The following Additive E (Decorative Crosswalks) is hereby added to the Bid Schedule page B-6 of the Bid Documents, as well as the PlanetBids Line Items:

**ADDITIVE BID SCHEDULE E (DECORATIVE CROSSWALKS):**

ITEM NO.	CODE	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICES	EXTENDED AMOUNT
51	%	Traffic Control (5% maximum of Total Bid Price)	LS	1	N/A	\$

52	S, %	Decorative Crosswalks	SF	5500	\$	\$
TOTAL ADDITIVE BID SCHEDULE E:					\$	_____

b) The following Decorative Crosswalks Bid Item Description is hereby added to page B-7 of the Bid Documents:

Decorative Crosswalks: Removal of decorative crosswalks (included in Bid Item 10), application of crosswalk striping/markings including 12” white thermoplastic crosswalk lines (included in Bid Item 10), and other Base Bid Work shall be included in the Base Bid Items and are not to be included in Additive Bid Schedule E for supply and install of Decorative Crosswalks. **If the City elects to proceed with the additive for the Decorative Crosswalks, the slurry seal (included in Base Bid Item 9) shall not be applied to the Decorative Crosswalk areas prior to application.** Full compensation for design, proofs, labor, stencils, colors, materials, tools, equipment, application, technical services, incidentals, and all Work necessary for supply, surface preparation, and install of Decorative Crosswalks shall be considered as included in the bid item for Decorative Crosswalks where outlined in the Construction Plans (i.e., Highland Ave at 34th Street, 35th Street, 36th Street, and Rosecrans Avenue), and Part 10 Standard and Special Technical Provisions Section 8.

3. Part 9 Special Instructions

a) The following is hereby added to Section 4-1 Outdoor Dining Parklets:

During construction at the outdoor dining parklets, the City and/or community user groups may host annually scheduled special events and festivities in or near the business districts. These events typically take place on weekend dates with weekday setup before the scheduled event date. The Contractor shall cooperate and accommodate the event as directed by the Engineer. Annually scheduled events and festivities within the project timeline include, but are not limited to:

- April – Richstone Pier-to-Pier Walk (Friday-Sunday)
- April – Downtown Sidewalk Sale (Friday-Sunday)
- May – Tour de Pier (Friday-Sunday)
- May – Mother’s Day (Wednesday-Sunday)

4. Part 10 Standard and Special Technical Provisions

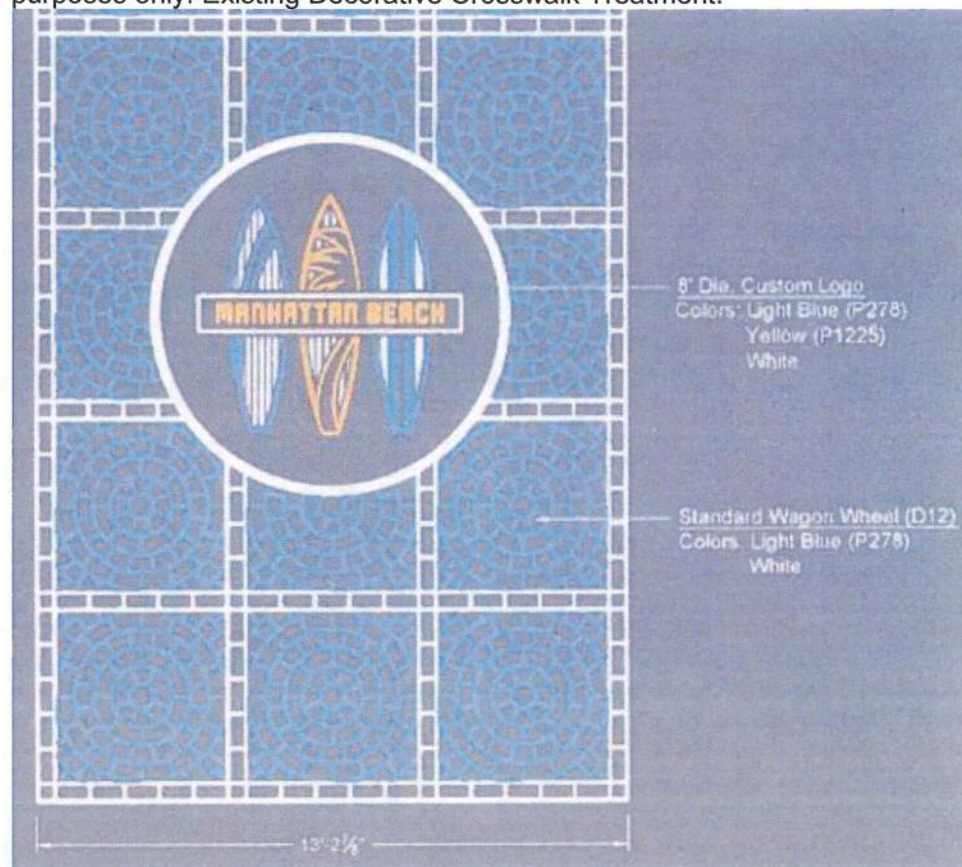
a) Section 8 Decorative Crosswalk Treatment is hereby replaced with the following:

**SECTION 8. DECORATIVE CROSSWALK TREATMENT**

**8-1 GENERAL**

**WORK OF THIS SECTION**

- A. Removal of decorative crosswalks, application of slurry seal, application of crosswalk striping/markings including 12" white thermoplastic crosswalk lines and other Base Bid Work for all crosswalk areas shall be included in the Base Bid Items and are not to be included in the Additive Bid Schedule E for supply and install of Decorative Crosswalks. If the City elects not to proceed with the work to supply and install Additive Bid Schedule E, only Base Bid work would be conducted which includes the 12" white thermoplastic crosswalk striping as shown in Appendix VII Construction Plans (without decorative crosswalks).
- B. The Contractor is to inspect in-field differences, measure, remove, and replace per the technical provisions, the manufacturer's installation requirements, and the Engineer's direction. The contractor shall receive approval for removal of any decorative crosswalks prior to construction. If any existing crosswalks are partially removed, marked, or otherwise damaged without Engineer approval, the Contractor shall remove and restripe the entire crosswalk to its original, or better, condition.
- C. A durable pavement overlay material suitable for streetscape and traffic calming purposes shall be used at the crosswalk locations identified in the Construction Plans (i.e., Highland Ave at 34th Street, 35th Street, 36th Street, and Rosecrans Avenue). The material shall be equally suitable for concrete and asphalt surfaces. The decorative crosswalk material and installation process shall be Interconnected Preformed Traffic Patterns by Ennis-Flint or approved equal. Design proofs exist on file with PPG Traffic Solutions and Shariden Design (Contact: Kelly Matkin, 800.331.8118, [kmatkin@ppg.com](mailto:kmatkin@ppg.com) and Steve Klasna, (619) 884-9507, [steve@sharidendesignasphalt.com](mailto:steve@sharidendesignasphalt.com)). The Image shown below is for informational purposes only. Existing Decorative Crosswalk Treatment:



- D. Manufacturing Control and ISO Certification: The manufacturer must be ISO 9001:2008 certified for design, development and manufacturing of preformed thermoplastic, and provide proof of current certification.
- E. The material must be a resilient preformed thermoplastic product which contains a minimum of thirty percent (30%) intermixed anti-skid/anti-slip elements and where the top surface contains anti-skid/anti-slip elements. These anti- skid/anti-slip elements must have a minimum hardness of 8 (Mohs scale) and meet the following gradation:

Size Gradation		Intermix		Drop - On	
US Mesh	µm	Retained, %	Passing, %	Retained, %	Passing, %
10	2000	0 - 10%	90 - 100%		
12	1700	5 - 25%	75 - 95%		
14	1400	15 - 50%	50 - 85%		
16	1180	15 - 50%	50 - 85%	0 - 5%	95 - 100%
18	1000	10 - 30%	70 - 90%	0 - 10%	90 - 100%
20	850	0 - 5%	95 - 100%	5 - 25%	75 - 95%
25	710	0 - 2%	98 - 100%	15 - 50%	50 - 85%
30	600			15 - 50%	50 - 85%
35	500			5 - 25%	75 - 95%
40	425			0 - 10%	90 - 100%

- F. The material must be resistant to the detrimental effects of motor fuels, antifreeze, lubricants, hydraulic fluids, etc.
- G. The material shall be capable of being applied on bituminous and/or portland cement concrete pavements by the use of a handheld heat torch, an infrared heater, or a blue-flame radiant heater. The use of a compactor or similar equipment shall not be necessary. The material must be able to be applied to asphalt and concrete surfaces without preheating the application surface to a specific temperature. **To avoid slurry seepage into the design, no slurry seal shall be applied to the area prior to application.** The material must be capable of being affixed to green concrete (concrete that has set but not appreciably hardened). The material shall not require the portland cement concrete application areas to be cured or dried out.
- H. The material must be capable of conforming to pavement contours, breaks and faults through the action of traffic at normal pavement temperatures. It shall not be necessary to use a grid template or to make pattern grooves or other indentations in the asphalt or concrete surface prior to applying the material. It shall not be necessary to inlay the material in grooves or indentations. It shall not be necessary to heat the pavement or application surface to a specific temperature.
- I. The material is typically supplied in segments measuring 24 in. by 24 in. The material must be factory assembled and interconnected with a compatible material,

so that it is unnecessary to assemble the individual "brick" pieces at the jobsite. Certain 24 in. by 24 in. material segments may be rotated to create additional pattern options using standard parts.

- J. Interchangeable, patterned borders shall be available in either 8 in. or 12 in. wide by 24 in. long sizes, to allow flexibility in design options using standard parts.
- K. The material must be able to be applied in temperatures down to 45°F without any special storage, preheating or treatment of the material before application.
- L. The material must be able to be applied to asphalt and concrete surfaces without using a grid template and without forming a pattern in the application surface. Heating indicators must be evenly distributed on the surface of the material in order to ensure correct application.
- M. The material must cover the entire application area and be flush across the surface. Once applied, no part of the pavement surface must be visible in the application area.

## 8-2 MATERIALS

### 8-2.1 THERMOPLASTIC MATERIAL:

- A. The material must be composed of an ester modified rosin impervious to degradation by motor fuels, lubricants, etc. in conjunction with aggregates, pigments, binders, and anti-skid/anti-slip elements. Pigments and anti-skid/anti-slip elements must be uniformly distributed throughout the material. The thermoplastic material conforms to AASHTO designation M249, with the exception of the relevant differences due to the material being supplied in a preformed state, being non-reflective, and potentially being of a color different from white or yellow.
- B. Pigments:
  - i. White: The material shall be manufactured with sufficient titanium dioxide pigment to meet FHWA Docket No. FHWA-99-6190 Table 5 and Table 6 as revised and corrected.
  - ii. Red, Blue, and Yellow: The material shall be manufactured with sufficient pigment to meet FHWA Docket No. FHWA-99-6190 Table 5 and Table 6 as revised and corrected. The pigment system must not contain heavy metals nor any carcinogen, as defined in 29 CFR 1910.1200 in amounts exceeding permissible limits as specified in relevant Federal Regulations.
  - iii. Other Colors: The pigment system must not contain heavy metals nor any carcinogen, as defined in 29 CFR 1910.1200 in amounts exceeding permissible limits as specified in relevant Federal Regulations.
- C. Heating indicators: The top surface of the material shall have regularly spaced indents. These indents shall act as a visual cue during application that the material has reached a molten state so satisfactory adhesion and proper embedment of anti-skid/anti-slip material has been achieved, and a post-application visual cue that the application procedures have been followed.



- D. Skid Resistance: The surface of the preformed thermoplastic material shall contain factory applied anti-skid material with a minimum hardness of 8 (Mohs scale). Upon application the material shall provide a minimum skid resistance value of 60 BPN when tested according to ASTM E 303.
- E. Slip Resistance: The surface of the preformed thermoplastic material shall contain factory applied anti-skid material with a minimum hardness of 8 (Mohs scale). Upon application the material shall provide a minimum static friction of coefficient of 0.6 when tested according to ASTM C 1028 (wet and dry), and a minimum static coefficient of friction of 0.6 when tested according to ASTM D 2047.
- F. Thickness: The material must be supplied at a minimum thickness of 125 mil (3.18 mm).
- G. Environmental Resistance: The material must be resistant to deterioration due to exposure to sunlight, water, salt or adverse weather conditions and impervious to oil and gasoline.
- H. Interconnected: The material must consist of interconnected individual pieces of preformed thermoplastic pavement material, which through a variety of colors and patterns, make up the desired design. The individual pieces in each material segment (typically 24 in. by 24 in.) must be factory assembled and interconnected with a compatible material so that in the field it is not necessary to assemble the individual pieces within a material segment. Multiple patterned border segment options shall be available in the material in either 8 in. or 12 in. wide by 24 in. long sizes.
- I. Final design shall be submitted and approved by Engineer prior to fabrication and application.

**8-3 EXECUTION**

**8-3.1 PREPARATION OF EXISTING SURFACES:**

- A. Preparation of existing surfaces by grinding shall follow the same procedure as outlined in Part 10 Section 7-3.2 Preparation of Existing Surfaces of the Standard and Special Technical Provisions in accordance with Section 84, "TRAFFIC STRIPES AND PAVEMENT MARKINGS," and Section 15, "EXISTING FACILITIES," of the 2015 Caltrans Standard Specifications and Caltrans Revised Standard Specifications. The surface produced by grinding the existing or temporary traffic striping or markings on pavement shall not exceed variations from a uniform plane more than 1/8-inch in 10-feet when measured parallel to the centerline of the street or more than 1/4-inch in 10-feet when measured perpendicular to the centerline of the street. The use of any equipment that leaves ridges, indentations or other objectionable marks in the pavement shall be discontinued, and the CONTRACTOR shall furnish equipment capable of providing acceptable surface. The pavement shall be clean, dry, free of cracks, and debris. **To avoid slurry seepage into the design, no slurry seal shall be applied to the area prior to application.**

**8-3.2 THERMOPLASTIC MATERIAL:**

- A. The material shall be applied using the propane torch method or an infrared heater recommended by the manufacturer. The material must be able to be applied at ambient and road temperatures down to 45°F without any preheating of the pavement to a specific temperature. A sealer specified by the manufacturer must be applied to the substrate prior to material application to ensure proper adhesion, and to provide reinforcement for larger volumes of material. A thermometer shall not be required during the application process. Supplier must enclose application instructions with each box/package, or make available on website.
- B. Packaging: The preformed thermoplastic material shall be placed in protective plastic film with cardboard stiffeners where necessary to prevent damage in transit. The cartons in which packed shall be non-returnable and shall not exceed 25 in. in length and 25 in. in width, and be labeled for ease of identification. The weight of the individual carton must not exceed fifty (50) pounds. A protective film around the box must be applied in order to protect the material from rain or premature aging.

8-4 **PAYMENT**

Full compensation for design, proofs, labor, stencils, colors, materials, tools, equipment, application, technical services, incidentals, and all Work necessary for surface preparation, supply, and install of Decorative Crosswalks shall be considered as included in the bid item for Decorative Crosswalks.

5. **Appendix VII: Construction Plans**

- a) Plan sheet 20 has been added to the Construction Plans for clarification on existing playground pavement markings and dimensions and is attached to this Addendum No. 1.

6. **Optional Pre-bid Meeting Attendees**

Bianca Cardenas	City of Manhattan Beach	(310)802-5357	<a href="mailto:BCardenas@manhattanbeach.gov">BCardenas@manhattanbeach.gov</a>
Jeffery Fijalka	City of Manhattan Beach	(310)802-5358	<a href="mailto:JFijalka@manhattanbeach.gov">JFijalka@manhattanbeach.gov</a>
Katherine Doherty	City of Manhattan Beach	(310) 802-5353	<a href="mailto:KDoherty@manhattanbeach.gov">KDoherty@manhattanbeach.gov</a>
Paul Ruta	MBUSD	(310) 748-5601	<a href="mailto:PRuta@mbusd.org">PRuta@mbusd.org</a>
Jeffrey Hirsch	Transtech	(909) 217-6023	<a href="mailto:Jeffrey.Hirsh@transtech.org">Jeffrey.Hirsh@transtech.org</a>

7. **Optional Pre-bid Meeting Discussion/Clarification**

- a) What are the limits of work?  
Limits of Work are indicated in Appendix III Location Map and Appendix VII Construction Plans. The Project's Base Bid borders the City of El Segundo to the north, and Additive Bid Schedule C borders the City of Hermosa Beach to the south. Where traffic control and Work are needed in adjacent city's Right-Of-Way, permits are required. The Contractor is responsible for all permit requirements per Part I General Provisions Section 2-2 Permits.

- b) How will the Project incorporate the existing dining decks?

Restaurants' outdoor dining decks currently exist within the north and central areas of the Sand Section. The outdoor dining parklets located in the Right-of-Way of these commercial areas will receive slurry seal at the end of the California State COVID-19 Emergency Orders after the temporary encroachment permits related to the COVID-19 pandemic ultimately expire, which may align with the FY 2022-2023 slurry schedule. Refer to the Additive Bid Schedule D and Part 9 Special Instructions Section 4-1 on Outdoor Dining Parklets. Work for Additive Bid Schedule D (Outdoor Dining Areas) is outlined in green text and legends within Appendix VII Construction Plans.

- c) What are the work hours for slurry of streets adjacent to schools?

Part I General Provisions Section 10-8 Working Days and Hours explains that no travel lanes, pedestrian crossings, or other means of accessibility to any school facilities shall be disturbed by construction activities between 7:30 AM to 8:30 AM and 1:30 PM to 3:30 PM on school days unless otherwise approved by the City Engineer. Contractor shall coordinate all work in the vicinity of schools with the school administrators to minimize construction impacts on special dismissal and event days. Schools include, but are not limited to Grand View Elementary School and Robinson Elementary School.

Refer to Part 9 Special Instructions Section 4-12 for Work within the property of Grand View Elementary School during Spring Break session, where typical work hours of 7:30 AM to 4:30 PM apply.

- d) Is the Grand View Elementary School Parking Lot open to public parking after school hours and while school is not in session?

Grand View Elementary School's Parking Lot is open to public parking between the hours of 4:30 PM to 7:00 AM and all hours when school is not in session. When Work is being performed within the Grand View Elementary School and Lot 6 Parking Lots, the contractor shall post "No Parking" signs at all meters at least 72 hours in advance of construction, per Part 6 601-3.5 Signs and Signage.

- e) There are streets that appear to need additional remedial work beyond a slurry seal preservation treatment. How will these areas be addressed?

Areas of significant distress will be identified for patchwork or full-depth asphalt removal and replacement under their respective Bid Items and only at locations as directed by the Engineer.

This Addendum is approved by:

*Katherine Doherty*

12/12/22

KATHERINE DOHERTY, PE, CITY ENGINEER

DATE

**A SIGNED COPY OF THIS ADDENDUM MUST BE ATTACHED TO THE BID.**

I hereby acknowledge that the information contained in this addendum has been included in the bid submitted for this project.

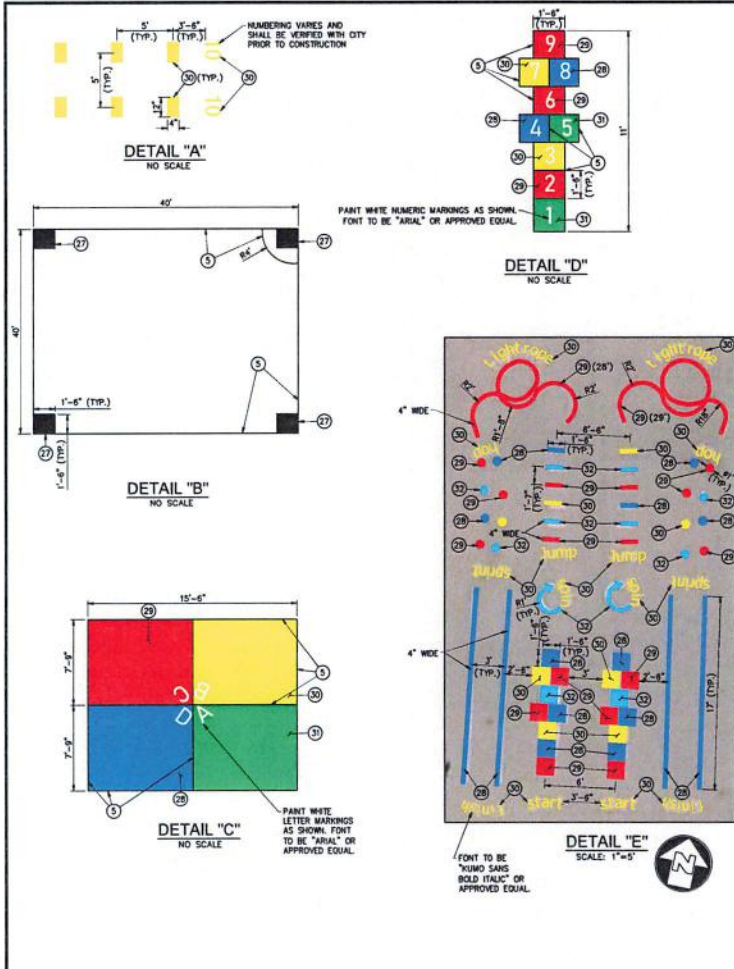
Pavement Coatings Co.

12/13/2022

COMPANY NAME

James Wu - Vice President  
SIGNATURE

DATE



**STRIPING CONSTRUCTION NOTES:**

- ① APPLY 4" WHITE THERMOPLASTIC LINE.
- ② APPLY WHITE PAINT MARKINGS.
- ③ APPLY BLUE (VN-L STRIPE BLUE OR APPROVED EQUAL) PAINT MARKINGS.
- ④ APPLY RED (VN-L STRIPE RED OR APPROVED EQUAL) PAINT MARKINGS.
- ⑤ APPLY YELLOW (VN-L STRIPE YELLOW OR APPROVED EQUAL) PAINT MARKINGS.
- ⑥ APPLY GREEN (VN-L STRIPE GREEN OR APPROVED EQUAL) PAINT MARKINGS.
- ⑦ APPLY LIGHT BLUE (PANTONE 305 OR APPROVED EQUAL) PAINT MARKINGS.

**PLAYGROUND STRIPING GENERAL NOTES:**

1. CONTRACTOR SHALL COORDINATE WITH SCHOOL DISTRICT WHEN APPLYING MARKINGS PER PROJECT SPECIFICATIONS.



**SUPPLEMENTAL NOTES:**

1. THE CONTRACTOR SHALL LOCATE, VERIFY AND PROTECT ALL EXISTING UNDERGROUND UTILITIES. DAMAGED UTILITIES SHALL BE REPLACED IN KIND AT THE CONTRACTOR'S EXPENSE.
2. DUE TO INDIVIDUAL LOT IMPROVEMENTS, THE EXISTING WATER, SEWER AND/OR GAS LATERALS MAY NOT BE AT THE LOCATIONS SHOWN OR SHOWN IN THEIR ENTIRETY. THE CONTRACTOR SHALL EXERCISE CAUTION WHEN EXCAVATING.
3. THE CONTRACTOR SHALL DETERMINE THE DEPTH OF THE GAS SIZE, CABLE, SEWER, STORM DRAIN AND WATER AT ALL INTERSECTIONS AND INTERFERENCES PRIOR TO CONSTRUCTION AND AS NOTED ON PLANS.



**PLANS PREPARED BY:**

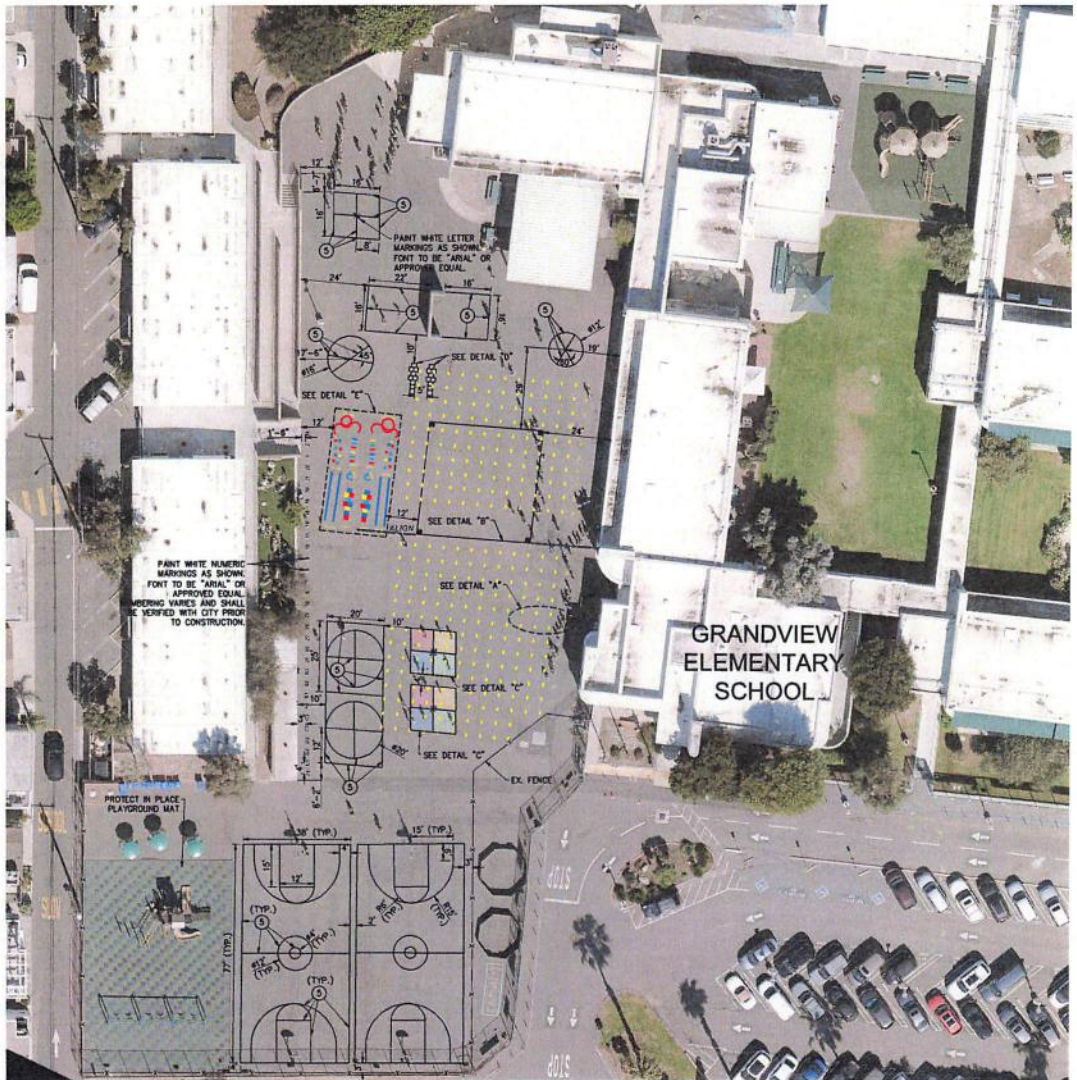
**KOA**  
PLANNING | ENGINEERING |  
CONSTRUCTION MANAGEMENT

6085 Murphy Canyon Rd. Suite 130  
San Diego, California 92121  
Tel: 619-663-2033 Fax: 619-483-7652

**REVIEWED BY:**

DATE: 12/7/2022

<b>REVISIONS</b> NO. DESCRIPTION DATE 1. Proposed Plan. 12/12/22		<b>CITY OF MANHATTAN BEACH</b> PUBLIC WORKS DEPARTMENT - ENGINEERING DIVISION	
		<b>STRIPING PLANS</b> FOR SLURRY SEAL PROJECT NORTH AREA OF SAND SECTION GRANDVIEW ELEMENTARY PLAYGROUND	
DRAWN BY: <i>[Signature]</i> PROJECT MANAGER: BRANCA CARDENAS		DATE: 12/12/2022	
CHECKED BY: <i>[Signature]</i> SENIOR ENGINEER: CHARLES F. STEPHAN		DATE: 12/7/2022	
PROJECT NO: T-260B		SHEET NO: 20 OF 20	



**RESOLUTION OF BOARD OF DIRECTORS OF  
PAVEMENT COATINGS CO.**

RESOLVED, That all officers of the Company (being the President, Doug Ford; the Vice-President, James Wu; the Vice-President, Timothy Schmid; the Vice-President, Guy Tittlemier; Secretary, Tom Mucenski; and the Treasurer, Nathan Beyler) are hereby authorized and empowered to enter into contracts, sign bid documents and otherwise execute agreements in the normal course of business and upon such terms and conditions as may be agreed by the Company and the counterparty(ies).

I, James Wu, do hereby certify that I am the duly elected and qualified Vice President and keeper of the records and corporate seal of Pavement Coatings Co., a corporation organized and existing under the laws of the State of California, and that the above is a true and correct copy of a resolution duly adopted at a meeting of the Board of Directors thereof, convened and held in accordance with the Bylaws of said Corporation on the 17<sup>th</sup> day of December, 2021, and that such resolution is now in full force and effect.

IN WITNESS WHEREOF, I have affixed my name as Vice President and have caused the corporate seal of said Corporation to be hereunto affixed, December 13, 2022.



James Wu, Vice President  
Pavement Coatings Co.

RESOLUTION NO. 23-0004

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING AN INSPECTION SERVICES AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND Z & K CONSULTANTS, INC. FOR THE SLURRY SEAL PROJECT ENCOMPASSING THE NORTH AREA OF THE SAND SECTION (AREA 7)

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves the Agreement between the City of Manhattan Beach and Z & K Consultants, Inc. dated January 17, 2023, for inspection services in the amount of \$52,224.00.

SECTION 2. The Council hereby directs the City Manager to execute the Agreement on behalf of the City.

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

ADOPTED on January 17, 2023.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

STEVE NAPOLITANO  
Mayor

ATTEST:

---

LIZA TAMURA  
City Clerk

## INSPECTION SERVICES AGREEMENT

This Inspection Services Agreement (“Agreement”) is entered into and effective as of the last date of execution below (“Effective Date”) by and between the City of Manhattan Beach, a California municipal corporation (“City”) and Z&K Consultants Inc., a California corporation (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

### RECITALS

A. City issued Request for Proposals No. E1273-22S on November 23, 2022, titled “Inspection Services for Slurry Seal Project – North Area of Sand Section”. Consultant submitted a proposal dated December 12, 2022 in response to the RFP.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant as an independent contractor and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

#### 1. **Consultant’s Services.**

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the “Services”) for inspection services of the Slurry Seal Project North Area of the Sand Section, attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be Crystal Faqih, President (the “Consultant Representative”). The Consultant Representative shall directly manage Consultant’s Services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like



professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

H. Prevailing Wages. This Agreement calls for services that, in whole or in part, constitute “public works” as defined in the California Labor Code. Therefore, as to those services that are “public works”, Consultant shall comply in all respects with all applicable provisions of the California Labor Code, including those set forth in **Exhibit C** hereto.

**2. Term of Agreement.** The term of this Agreement shall be from the Effective Date through December 31, 2024, unless sooner terminated as provided in Section 12 of this Agreement or extended. The City Manager or his/her designee may extend the term of the Agreement in writing for up to two additional one-year terms, or such other term not to exceed two years from the date of termination, pursuant to the same terms and conditions of this Agreement. If not renewed prior to the termination date, this Agreement may continue on a month-to-month basis under the same terms and conditions for a maximum period not to exceed six months or until renewed, terminated or awarded to a new consultant, whichever is less.

### **3. Compensation.**

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the hourly rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Consultant be paid more than \$52,224.00 (the “Maximum Compensation”) for such Services.

B. Expenses. City shall only reimburse Consultant for those actual and necessary expenses expressly set forth in **Exhibit B**.

C. Unauthorized Services and Expenses. City will not pay for any services not specified in the Scope of Services, or reimburse for any expenses not set forth in **Exhibit B**, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services or expenses in writing prior to Consultant’s performance of those services or incurrence of additional expenses. Any additional services authorized by the City Council, or (where authorized) the City Manager shall be

compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. Any additional expense authorized by the City Council or (where authorized) the City Manager shall be reimbursed in the amounts authorized by the City Council or City Manager. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

#### **4. Method of Payment.**

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Invoices must be submitted to Bianca Cardenas, Associate Engineer at [bcardenas@manhattanbeach.gov](mailto:bcardenas@manhattanbeach.gov), (310) 802-5357. Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

**5. Independent Contractor.** Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

#### **6. Information and Documents.**

A. Consultant covenants that all data, reports, documents, surveys, studies, drawings, plans, maps, models, photographs, discussion, or other information (collectively "Data and Documents") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information

concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered “voluntary,” provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City’s right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data and Documents required to be furnished to City in connection with this Agreement shall become City’s property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original Data and Documents, including computer files containing data generated for the Services, notes, and other documents prepared in the course of providing the Services shall become City’s sole property and may be used, reused or otherwise disposed of by City without Consultant’s permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant’s covenants under this Section shall survive the expiration or termination of this Agreement.

**7. Conflicts of Interest.** Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant’s Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative’s prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

**8. Indemnification, Hold Harmless, and Duty to Defend.**

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials,

officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section 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. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall 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, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. 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. The hold harmless and indemnification provisions in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. No Design Services. Contractor acknowledges that the Services to be provided pursuant to this Agreement do not require the services of a "design professional," as the term is defined in California Civil Code Section 2782.8(c), and that therefore the provisions of California Civil Code Section 2782.8 do not apply to this Agreement.

E. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

## **9. Insurance.**

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$2,000,000.00 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City, and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Broader Coverage/Higher Limits. If Consultant maintains broader coverage and/or higher limits than the minimums required above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

L. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

## **10. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**11. Records and Inspections.** Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

## **12. Termination of Agreement.**

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

**13. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

## **14. Default.**

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

**15. Notices.** Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and City's regular business hours, or (c) three



Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO CITY:

City of Manhattan Beach  
Attn: Public Works Director  
3621 Bell Avenue  
Manhattan Beach, California 90266

TO CONSULTANT:

Z&K Consultants, Inc.  
Attn: Crystal Fraire  
473 East Carnegie Avenue  
San Bernardino, CA 92408

COPY TO CITY ATTORNEY:

City of Manhattan Beach  
Attn: City Attorney  
1400 Highland Avenue  
Manhattan Beach, CA 90266

**16. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**17. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**18. No Third Party Beneficiaries Intended.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**19. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach,

any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

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

**21. Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

**22. Non-Appropriation of Funds.** Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**23. Exhibits. Exhibits A, B, and C** constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

**24. Entire Agreement and Modification of Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except

those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

**25. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

**26. Word Usage.** Unless the context clearly requires otherwise, (a) the words “shall,” “will” and “agrees” are mandatory and “may” is permissive; (b) “or” is not exclusive; and (c) “includes” or “including” are not limiting.

**27. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

**28. Business Days.** “Business days” means days Manhattan Beach City Hall is open for business.

**29. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

**30. Attorneys’ Fees.** In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys’ fees, experts’ fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

**31. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**32. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

**33. Corporate Authority.** Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

Consultant:

City of Manhattan Beach,  
a California municipal corporation

Z&K Consultants, Inc.,  
a California Corporation

By: \_\_\_\_\_  
Name: Bruce Moe  
Title: City Manager

By: Crystal Fraire  
Name: Crystal Fraire  
Title: President

ATTEST:

By: Zack Faqih  
Name: Zack Faqih  
Title: Vice President

By: \_\_\_\_\_  
Name: Liza Tamura  
Title: City Clerk

**PROOF OF AUTHORITY TO BIND  
CONTRACTING PARTY REQUIRED**

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Name: Quinn M. Barrow  
Title: City Attorney

APPROVED AS TO FISCAL IMPACT:

By: \_\_\_\_\_  
Name: Steve S. Charelian  
Title: Finance Director

APPROVED AS TO CONTENT:

By: \_\_\_\_\_  
Name: Erick Lee  
Title: Public Works Director

## EXHIBIT A SCOPE OF SERVICES

### *SCOPE OF SERVICES*

The Inspection Services Team's (team) relevant experience allows them to provide overall administration of the construction process based on their unique ability to fully understand the construction process, work proactively to identify problems early, and to mitigate each risk before it affects the project performance goals. Z&K proactively serves as the project's administrator and provides consistent coordination between all project stakeholders including the City, Design Engineer, and construction contractor and subcontractors. Z&K has thoroughly reviewed the Request for Proposal (RFP) and confirmed the team will provide all scope of work tasks as outlined in the RFP scope of services to ensure the success of the City of Manhattan Beach's Project. Z&K acknowledges the ability to meet potential project requirements listed under the scope of services. The Z&K Team, at a minimum, will perform the following:

#### Construction Inspection Services

1. Possession of a vehicle for travel related to the Project. Show proof of valid California driver's license, and insurance. For immediate contact by the City, the Consultant Inspector must possess a mobile phone and digital camera and shall provide digital images of the Project to the City of Manhattan Beach in "jpeg" | The inspectors will be on on-site at all times required by the contract, properly equipped with a company vehicle, valid auto insurance, a California driver's license, and a mobile phone reachable by the City.

2. Working normal hours are from 7:30 a.m. to 4:30 p.m. with a 1-hour lunch break | The assigned Z&K Inspector is committed to provide their services at all times required by the contract.

3. Reviewing the specifications thoroughly prior to the pre-construction meeting and throughout the Project | The team is aware that prompt review of the project plans, specifications, and quantities, and alternative construction methods allow for cost and schedule savings. Upon notice-to-proceed (NTP), the team will conduct a thorough review that will focus on anticipating issues in the field and resolve them through fast and flexible problem solving. This approach will result in timely completion of the work, claims avoidance, and the reduction of public inconvenience. Throughout the project, the inspectors will review plans, specifications, contract documents, plans, and permits. Inspectors will monitor and enforce construction noticing requirements and verify that all work in place is compliant with the project plans and specifications, as well as any Traffic Control, Cal-OSHA, Outside Agency Permits, Standard Plans, and other public right-of-way requirements needed for the project. The team will ensure that the Contractor is aware of all existing underground utilities by ensuring that Dig Alert tickets are current and up to date prior to excavation. They will keep track of hazardous and non-hazardous and conflicting utilities during regular progress meetings. Additionally, the consultant inspector will communicate with utilities early since various of utilities may need to be adjusted by the Owner and require utility coordination.

4. Establishing effective communications with the Contractor, other agencies, utilities, business, and property owners | The inspector will assist the City in forming and maintaining good relations with the Contractor, City Staff, business/property owners, and the general public. Residents and businesses in surrounding neighborhood will be well informed by providing community outreach and a contact person to manage public relations for the duration of the project. At a minimum, the team will establish and manage a construction 24-hour hotline (toll free number), and email address for project stakeholders, property owners, interested parties, and the general public to call with construction issues and concerns. All calls and public complaints will be

documented and investigated. The inspector will manage and track public inquiries for the Contractor and for the City and will advise of any concerns and findings.

5. [Attending the weekly construction meetings](#) | Z&K will attend the weekly construction meetings with City representatives, contractors, and other agencies related to the project. At each weekly meeting, all ongoing issues will be reviewed and discussed. An agenda shall include items such as safety, old business, updated progress of the work, request for information (RFIs), submittals, testing and inspection reports, non-conformance notices, contract issues, procedures, environmental monitoring, change orders (COs), look-ahead schedule for upcoming work, pay requests, and so forth. Unresolved issues will be carried over to the next week's meeting until a final resolution is obtained.

6. [Performing project oversight for the monitoring of traffic control, the Project scope of work, damage to infrastructure, and replacement of infrastructure to City standards.](#) During the course of inspection and monitoring of the work, if the Consultant observes an unsafe situation, they shall notify the Contractor. If the Contractor refuses to comply, the Consultant shall notify the City and Cal/OSHA, as appropriate | Throughout the project, the inspectors will review contract documents, plans, and permits. Inspectors will monitor and enforce construction noticing requirements. The Inspectors will use their expertise to provide field conflict resolutions. The Inspectors' primary duties will be to inspect and verify all work in place meets the requirements of the contract plans and specifications, traffic control plans, shop drawings, change orders, and O&M manuals as well as maintenance of project documentation. The Construction Inspector will perform project oversight for the monitoring of damage to existing infrastructure and replacement of infrastructure to City standards. Any damage will be properly documented with photos.

7. [Ensuring compliance with the Specifications, and other requirements, such as, but not limited to, the Contract, Traffic Control, Cal/OSHA Standards, Contract Change Orders, Permits, Standard Plans, checking line, grade size, elevation, and location of improvements.](#) | The consultant has carefully selected this "A-Team" and committed the most qualified Inspector for the duration of the contract to deliver a successful project, including full-time and part-time inspection. The Z&K Inspector has the knowledge, skill, and experience to inspect all the anticipated construction operations for this contract and will be on site daily to monitor and document daily progress of the contractor and verify that all work in place is compliant with the project plans, specifications, and contract, as well as any Traffic Control, Cal/OSHA Standards, contract change orders, permits, ASTM Standards, and other public right-of-way requirements needed for the project.

8. [Keeping daily diaries \(log\), filling out incident \(accident\) reports, and taking pictures of the project. Document all Contractor delays, reasons for delay, length of time for delay, and phases of work. A daily inspection report identifying work done by the Contractor shall be submitted to the City's Project Manager on the next business day for review and filing.](#) | The daily reports will be submitted to the City on a daily basis. The Construction Inspector will prepare and present the "Weekly Statement of Working Days" report to the City and Contractor. This statement will conform to Caltrans Form CEM-2701 or form approved by the City. The team will prepare an incident log and will complete prompt and thorough incident/accident reports. Any incidents will be discussed at the weekly meeting with the team. Z&K will immediately work with the Contractor to ensure that the proper procedures are implemented. The inspector will discuss a plan of action for the future to mitigate the risk of another incident. The Z&K Team will review and monitor the Contractor's schedule, in addition to a master project schedule to include all completed and scheduled construction work, as well as any delays in construction or working days lost to weather or other unexpected conditions. Z&K will regularly update this schedule to reflect construction progress and provide updates on anticipated closure, detours, etc. The Team will also provide updates to the City on any other pertinent project information affecting the construction schedule. The Z&K Team

will provide ongoing coordination with public utilities to resolve any construction questions or conflicts, and to avoid any potential delays or additional costs to the project. Any conflicts with utilities will be reported to the utility company and Z&K will work to coordinate the relocation or removal of the utility. The resolution will be reported to the City.

9. **Measuring and tabulating contract quantities. Reviewing the Contractor's invoices, verifying completed work and approving all quantities.** | Prior to the Contractor submitting the invoice, the Inspector will review the quantities with the Contractor. The inspectors keep an independent log of measurement and tabulated quantities in the field. The inspector compare the Inspector's quantities with the Contractor's quantities to ensure accurate invoices. Z&K brings a detailed understanding of the City processes for administering Contractor payment per the City's standards & procedures. The team will work closely under the direction of the City and with the contractor to verify that the contractor's payments are processed, provide recommendations, and ensure they are executed promptly by the contract documents and City's procedures. Z&K will reconcile the work done with the pay requests. Z&K will work with the Contractor on required corrections to the pay requests and ensure that they are in the format and forms required by the City.

The pay requests will be submitted to the City with a statement that they have been reviewed. Z&K will keep accounts of all pay requests including amounts retained, dates submitted, dates paid, actual payments, changes in contract amounts, and any other pertinent information.

10. **Monitoring extra work and providing supporting documentation on the personnel and equipment that is involved with any extra work performed by the Contractor. Determining whether the work of the Contractor is being performed in accordance with the requirements of the contract documents, and endeavoring to guard the City against defects and deficiencies in such work.** | Z&K works proactively to eliminate or reduce project impacts from potential change orders. Z&K will provide first-line management of change order administration including review and evaluation of change order requests; independent estimates; project mitigation such as possible alternatives and negotiation as the City's advocate; written approval from the City's Project Manager prior to approval of any extra work; investigation and inspection of site conditions that differ from those described in the contract documents; schedule impact and analysis and verification; recommendations to the project Owner on acceptance; impact mitigation; review of submittals in support, and recommendation for resolution, of claims and disputes; and verification of costs.

Z&K will continuously prepare independent cost estimate change orders and schedule analysis of work to ensure that all change orders are of technical merit prior to execution. The Inspector will monitor extra work closely. The Construction Inspector will perform on-going evaluation of the Contractor's daily performance throughout the project to address any deficiencies as they occur and avoid any potential claims. If claims arise, the Inspector will work with the City and Contractor to find the best solution to resolve any claims in a timely manner.

11. **Identifying and reporting on potential Contractor claims, and recommending resolution.** | The Construction Inspector will perform on-going evaluation of the Contractor's daily performance throughout the project to address any deficiencies as they occur and avoid any potential claims. If claims arise, the Inspector will work with the City and Contractor to find the best solution to resolve any claims in a timely manner. The Z&K Inspection staff brings a detailed understanding of the City processes for administering Contract Change Orders per City's standards & procedures. We will work closely under the direction of the City's Construction Manager with the contractor to verify that change orders are processed and executed promptly by the contract documents and City's procedures. Inspectors will verify all work performed under time and materials, including equipment, contractor crew, and field measurements quantities.



12. [Preparing a list of items for correction \(punch list\) and preparing redlined as-built plans](#) | The Inspector will take a proactive approach at processing close-out documentation by conducting a project walk-through and preparing a final punch list of items, which typically include guarantees/warranties, subcontractor liens, retention, and final acceptance/certificates of completion, orderly transfer of records and documents, resolution of outstanding issues, final payment preparation and processing along with final acceptance or record drawings.

Z&K will verify the completion of the final punch list when the contractor has certified and demonstrated the work is substantially complete. We will prepare redline as-built plans. Z&K will conduct a final inspection and walk-through including City staff, Contractor, maintenance/service personnel, and project architect/design consultant, and applicable agencies.

13. [Preparing status reports for project close-out and all applicable documents as a “closeout” file](#) | Upon completion of the project and following the final inspection and walkthrough, Z&K will provide the City with both hard and electronic copies of project documentation, including a report stating that the installation of all improvements required by the project have been completed in accordance with the plans and specifications. Z&K will calculate the amount of final payment due to the prime Contractor and prepare the proposed final estimate. Z&K will also review and process the release of retention. Z&K will obtain evidence of certification of the release of all liens and stop notices. Z&K will obtain certification of delivery of record drawings to the City and design engineer. Z&K will advise the City when the Notice of Completion (NOC) should be filed. The Team will prepare a status report for project close-out and provide the “close-out” file to the City.

14. [Performing other related duties as required](#) | The Construction Inspector will perform other related duties as required for the successful completion of the Project.

## *ORGANIZATIONAL CHART*

Z&K has carefully selected this "A-Team" and has committed the most qualified staff for the duration of the contract. The project team is committed 100% to this contract and all proposed personnel will be available to perform the requested services as required by the City.



**EXHIBIT B  
APPROVED FEE SCHEDULE**

**Base Bid Schedule**

<u><b>TASKS</b></u>	<u><b>Senior Inspector Hours</b></u>	<u><b>Senior Inspector Fees (\$128/hr)</b></u>
Inspection Services (40 Working Days)	320	\$40,960
<b>Total</b>	<b>320</b>	<b>\$40,960</b>

**Additive Bid Schedule A**

<u><b>TASKS</b></u>	<u><b>Senior Inspector Hours</b></u>	<u><b>Senior Inspector Fees (\$128/hr)</b></u>
Inspection Services (5 Working Days)	40	\$5,120
<b>Total</b>	<b>40</b>	<b>\$5,120</b>

**Additive Bid Schedule D**

<u><b>TASKS</b></u>	<u><b>Senior Inspector Hours</b></u>	<u><b>Senior Inspector Fees (\$128/hr)</b></u>
Inspection Services (3 Working Days)	24	\$3,072
<b>Total</b>	<b>24</b>	<b>\$3,072</b>

**Additive Bid Schedule E**

<u><b>TASKS</b></u>	<u><b>Senior Inspector Hours</b></u>	<u><b>Senior Inspector Fees (\$128/hr)</b></u>
Inspection Services (3 Working Days)	24	\$3,072
<b>Total</b>	<b>24</b>	<b>\$3,072</b>

**Total Fees: Not-to-Exceed \$52,224**

**EXHIBIT C**  
**TERMS FOR COMPLIANCE WITH CALIFORNIA LABOR LAW REQUIREMENTS**

1. This Agreement calls for services that, in whole or in part, constitute “public works” as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code (“Chapter 1”). Further, Contractor acknowledges that this Agreement is subject to (a) Chapter 1 and (b) the rules and regulations established by the Department of Industrial Relations (“DIR”) implementing such statutes. Therefore, as to those Services that are “public works”, Contractor shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.

2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 above.

3. Contractor shall be registered with the Department of Industrial Relations in accordance with California Labor Code Section 1725.5, and has provided proof of registration to City prior to the Effective Date of this Agreement. Contractor shall not perform work with any subcontractor that is not registered with DIR pursuant to Section 1725.5. Contractor and subcontractors shall maintain their registration with the DIR in effect throughout the duration of this Agreement. If the Contractor or any subcontractor ceases to be registered with DIR at any time during the duration of the project, Contractor shall immediately notify City.

4. Pursuant to Labor Code Section 1771.4, Contractor’s Services are subject to compliance monitoring and enforcement by DIR. Contractor shall post job site notices, as prescribed by DIR regulations.

5. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Contractor shall post such rates at each job site covered by this Agreement.

6. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to City, forfeit \$200.00 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

7. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform City of the location of the records.

8. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Administrative Code Title 8, Section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within 60 days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to City a verified statement of the journeyman and apprentice hours performed under this Agreement.

9. The Contractor shall not perform Work with any Subcontractor that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. The Contractor and Subcontractors shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. If the Contractor or any subcontractor becomes debarred or suspended during the duration of the project, the Contractor shall immediately notify City.

10. Contractor acknowledges that eight hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to City, forfeit \$25.00 for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of eight hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay.

11. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

12. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor’s compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Contractor shall include in the written contract between it and each subcontractor a copy of those statutory provisions and a requirement that each subcontractor shall comply with those statutory provisions. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor’s compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any failure.

13. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless and defend (at Contractor’s expense with counsel reasonably acceptable to City) City, its officials, officers, employees, agents and independent contractors serving in the role of City officials, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed above by any person or entity (including Contractor, its subcontractors, and each of their officials, officers, employees and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys’ fees, and other related costs and expenses. All duties of Contractor under this Section shall survive the termination of the Agreement.

## LINK TO ATTACHMENT

**ATTACHMENT:** Plan and Specifications ([Web-Link Provided](#))

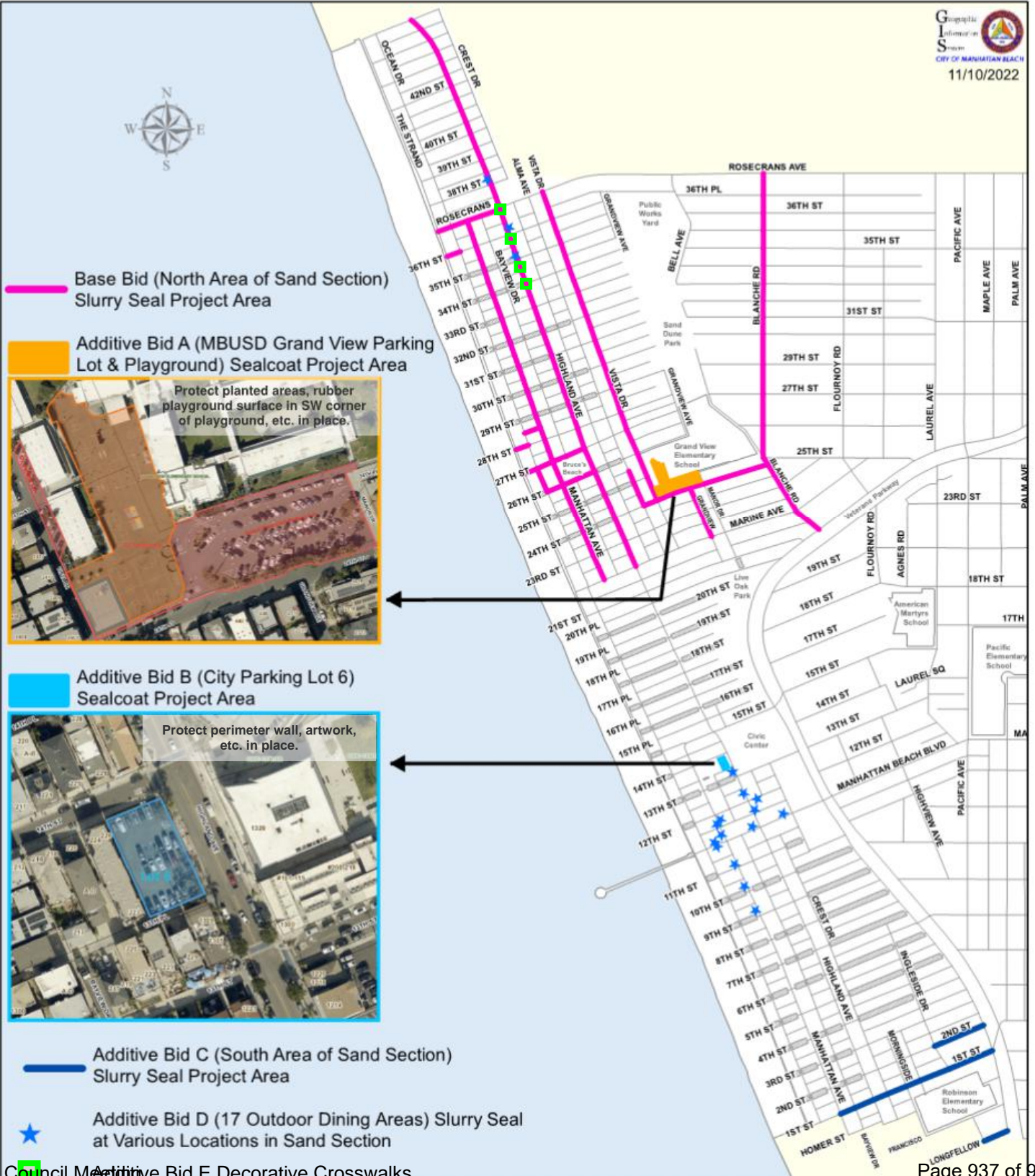
**SLURRY SEAL PROJECT - NORTH AREA OF SAND SECTION  
BUDGET EXPENDITURE SUMMARY REPORT**

<b>Project Budget</b>				
<b>Project Description</b>	<b>Streets &amp; Highway Fund</b>	<b>CIP Fund</b>	<b>Public Arts Trust Fund</b>	<b>Total Amounts</b>
Biennial Slurry Seal Program (ST16102) FY22-23 CIP Budget	\$800,000	-	-	\$800,000
Remaining Funds from Prior Year Slurry Seal Project	\$244,236	-	-	\$244,236
Biennial Slurry Seal MBUSD (ST16102) FY22-23 CIP Budget	-	\$50,000	-	\$50,000
Requested Appropriation for MBUSD Grand View Parking Lot/Playground	-	\$177,448	-	\$177,448
Requested Allocation for Decorative Crosswalks	-	-	\$326,822	\$326,822
<b>Available</b>	<b>\$1,044,236</b>	<b>\$227,448</b>	<b>\$326,822</b>	<b>\$1,598,506</b>

<b>Project Expenditures</b>				
<b>Item</b>	<b>Streets &amp; Highway Fund</b>	<b>CIP Fund</b>	<b>Public Arts Trust Fund</b>	<b>Total Amounts</b>
Design Services - KOA	\$47,100	\$34,460	-	\$81,560
Construction Contract – Pavement Coatings Co.	\$765,886	\$163,363	\$259,000	\$1,188,249
Construction Contingency – Pavement Coatings Co. (17% Total)	\$114,883	\$24,505	\$64,750	\$204,138
Inspection Services – Z & K Consultants, Inc.	\$44,032	\$5,120	\$3,072	\$52,224
<b>Estimated</b>	<b>\$971,901</b>	<b>\$227,448</b>	<b>\$326,822</b>	<b>\$1,526,171</b>



# Slurry Seal Project North Area of Sand Section



— Base Bid (North Area of Sand Section) Slurry Seal Project Area

— Additive Bid A (MBUSD Grand View Parking Lot & Playground) Sealcoat Project Area



— Additive Bid B (City Parking Lot 6) Sealcoat Project Area



— Additive Bid C (South Area of Sand Section) Slurry Seal Project Area

★ Additive Bid D (17 Outdoor Dining Areas) Slurry Seal at Various Locations in Sand Section

■ Additive Bid E Decorative Crosswalks

# DECORATIVE CROSSWALKS IN NORTH MANHATTAN BEACH

JANUARY 17, 2023

City Council Meeting

January 17, 2023



Page 938 of 948

\*Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.\*

# FY22-23 Slurry Seal Project

- North Area of Sand Section
- MBUSD Grand View Elementary School Parking Lot and Playground
- Outdoor Dining Decks
- **Decorative Crosswalks**



# Existing Crosswalks



- 8 Decorative Crosswalks
- Installed in 2010

# Proposed Replacement

NMB BID Preferred



Existing Design



- Applies to 4 crosswalks at Rosecrans Ave. and Highland Ave.
- Either style will be a full thermoplastic overlay (not a stamped pattern)

# Project Funding

Project Budget				
Project Description	Streets & Highway Fund	CIP Fund	Public Arts Trust Fund	Total Amounts
Biennial Slurry Seal Program (ST16102) FY22-23 CIP Budget	\$800,000	-	-	\$800,000
Remaining Funds from Prior Year Slurry Seal Project	\$244,236	-	-	\$244,236
Biennial Slurry Seal MBUSD (ST16102) FY22-23 CIP Budget	-	\$50,000	-	\$50,000
Requested Appropriation for MBUSD Grand View Parking Lot/Playground	-	\$177,448	-	\$177,448
Requested Allocation for Decorative Crosswalks	-	-	\$326,822	\$326,822
<b>Available</b>	<b>\$1,044,236</b>	<b>\$227,448</b>	<b>\$326,822</b>	<b>\$1,598,506</b>

# Staff Recommendations

- Adopt Resolution No. 23-0003:
  - Awarding a construction agreement to Pavement Coatings Co. for \$1,188,249; and
  - Approving the Final Plans and Specifications for the Project; and
  - Authorizing the City Manager and/or his or her designee to approve additional work, if necessary, for up to \$204,138.
- Adopt Resolution No. 23-0004:
  - Awarding a Construction Inspection Professional Services Agreement to Z & K Consultants, Inc. for the Project for \$52,224; and
  - Authorizing the City Manager to execute the agreement.
- Appropriate an additional \$177,448 from the CIP Fund for the Project; and
- Allocate \$326,822 from the Public Arts Trust Fund to reapply decorative crosswalks at the intersections of Highland Ave at 34th Street, 35th Street, 36th Street, and Rosecrans Avenue.



# Discussion







**CITY OF MANHATTAN BEACH**

1400 Highland Avenue Manhattan Beach, CA 90266  
www.manhattanbeach.gov • (310) 802-5000

# STAFF REPORT

**Agenda Date:** 1/17/2023

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Liza Tamura, City Clerk

Martha Alvarez, Assistant City Clerk

**SUBJECT:**

Agenda Forecast (City Clerk Tamura).

**INFORMATION ITEM ONLY**

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**DISCUSSION:**

The subject matter below is anticipated to appear on future City Council Agendas. It's important to note that the information being provided is tentative, subject to change and is listed for planning purposes only. Agendas for City Council Meetings are finalized and posted 6 days prior to the meeting date.

**CEREMONIAL**

- Pledge - Manhattan Beach Middle School.
- Pledge - Mira Costa High School.

**CONSENT**

- City Council Minutes (City Clerk Tamura).
- Financial Reports (Finance Director Charelian).
- Consider Awarding Bid No. 1287-23 to Fairway Ford for the Purchase of one Ford F-550 Truck Chassis for the Public Works Department in the Amount of \$53,116 (Finance Director Charelian).
- Consider Awarding Bid No. 1281-23 to Bay City Electric Works for the Purchase of one Budgeted 100kW Portable Generator for the Public Works Department in the Amount of \$86,381.27 (Finance Director Charelian).
- Consideration of a Resolution Approving an Agreement with Laz Parking California for Supplemental Parking Enforcement Services (Police Chief Johnson).
- Consideration of a Resolution Approving a Three-Year General Services Agreement with

- XXX for Water Treatment Disinfection Products at a Cost Not-to-Exceed \$360,000 (Public Works Director Lee).
- Acceptance of Cycle 2 Sewer Infrastructure Improvement Project (Public Works Director Lee).
- Consideration of Accepting as Complete Work Performed by Bon Air Incorporated Regarding the City Hall HVAC Improvements Project (Public Works Director Lee).
- Consideration of a Resolution Approving the Citywide Americans with Disabilities Act Ramp Improvement Project and Authorizing an Application to the Los Angeles County Metropolitan Transportation Authority for Federal Transit Administration Section 5310 Grant Funding (Public Works Director Lee).
- Award Contracts to TBD for Cycle 2 Street Resurfacing Project - Construction & Construction Management/Inspection (Public Works Director Lee).
- Consideration of a Resolution Approving an Agreement with Completes Auto Plus dba Napa Auto Parts for the Purchase of Auto Parks for an Estimated Annual Amount of \$50,000 (Finance Director Charelian).
- Acceptance of Sepulveda Bridge Widening Project (Public Works Director Lee).
- Award Contract to TBD for Rowell Avenue Sidewalk Gap Closure Between 1st St and Curtis Ave(Public Works Director Lee).
- Award of Construction Contract for Annual Citywide Concrete Repair Program (Public Works Director Lee).

### **PUBLIC HEARING**

- Conduct Public Hearing Renewing the North Manhattan Beach Business Improvement District and Approval of the Annual Collection of Assessments for Fiscal Year 2023-2024 (City Manager Moe).
- Consideration of Resolutions Awarding Construction Contracts for Private Conversion of Non-Compliant Properties in Underground Utility Assessment Districts 12 and 14. Total awards not anticipated to exceed \$100k (Public Works Director Lee).

### **GENERAL BUSINESS**

- Consider Renaming a Baseball Field in Recognition of Former Mayor Walt Dougher (Parks and Recreation Director Leyman).
- Aquatics Survey (Parks and Recreation Director Leyman).
- Police Department Staffing Levels (Human Resources Director Jenkins).
- Quarterly Update on Homelessness Initiatives (City Manager Moe).
- Consideration of Design Updates and Cost Estimates for the Senior and Scout Community Center Building (Parks and Recreation Director Leyman).
- Donation of AYSO for the Marine Avenue Park Turf Replacement Project (Parks and Recreation Director Leyman).
- Policy Discussion Regarding Establishment of Fees for EV Charging at City Facilities (Public Works Director Lee).
- Six Month Review and Update on the City's Current Coyote Management Approach (City Manager Moe).
- MBB Median Options for Replacement Turf (Public Works Director Lee).
- Fiscal Year 2022-2023 Mid-Year Budget Report and Fiscal Year 2023-2024 Budget Development Calendar (Finance Director Charelian).

- Consideration of Parks Deferred Maintenance Projects (Public Works Director Lee).
- HAI Update (Parks and Recreation Director Leyman).
- Cultural Arts Work Plan Update (Parks and Recreation Director Leyman).

