

Gloria Olmos, Mayor
Richard Angel, Mayor Pro Tem
Manuel Acosta, Councilmember
Hector Delgado, Councilmember
Gracie Retamoza, Councilmember



Rachel Barbosa, City Manager
Donna G. Schwartz, City Clerk
Anthony R. Taylor, City Attorney

CITY OF SOUTH EL MONTE

REGULAR MEETING OF THE SOUTH EL MONTE CITY COUNCIL

AGENDA

November 9, 2021, 6:00 PM
1415 Santa Anita Avenue, South El Monte, CA 91733

SPECIAL NOTICE REGARDING COVID-19

On September 16, 2021, Governor Newsom signed AB 361, which modified the Brown Act to allow for teleconferencing participation at local legislative body public meetings during a proclaimed state of emergency. Pursuant to Government Code Section 54953(e) as amended by AB 361, City Council is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically available to all members of the public seeking to observe and to address the local legislative body. Public participation will be allowed via the information below.

PUBLIC COMMENT

To participate during public comment via teleconference, see below:

Link: <https://us02web.zoom.us/j/86581711880>

Meeting ID: 865 8171 1880

Or Call In: 1 669 900 6833, when prompted, enter 86581711880#

For both open and closed session each speaker will be limited to five minutes. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another. This is the only opportunity for public input except for scheduled public hearing items. All comments or queries shall be addressed to the Council as a body and not to any specific member thereof. Pursuant to Government Code Section 54954.2(a)(2), the Ralph M. Brown Act, no action or discussion by the City Council shall be undertaken on any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

LIVE STREAMING OF MEETINGS

The City of South El Monte live streams the City Council Meetings over the Internet at <https://www.cityofsouthelmonte.org/129/City-Council-Agendas-Minutes> after the meetings, recordings are immediately posted. **NOTE:** Your attendance at this public meeting may result in the streaming and recording of your image and/or voice.

Americans with Disabilities Act

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's office at (626) 579-6540 ext. 3280 or ext. 3220 at least 72 hours prior to the meeting.

GENERAL COMMENT

Members of the public wishing to submit a general comment or a comment on an agenda item, can email dschwartz@soelmonte.org or call (626) 579-6540 ext. 3280 to leave a voicemail message. All comments received an hour before the scheduled meeting will be read during public comment and made part of the record.

MEETINGS

The [City Council](#) holds regular meetings on the second and fourth Tuesday of every month. Regular meetings start at 6 p.m. in the Council Chambers at City Hall, 1415 Santa Anita Avenue, South El Monte, California. Special and Adjourned Regular meetings start time are to be determined.

POSTING LOCATIONS OF AGENDA AND/OR CANCELLATION NOTICES

Regular meeting agendas will be posted at least 72 hours before the meeting (GC 54954(a)(1)).

Agenda and Cancellation Notices can be viewed online and are also posted at the following three (3) locations: City Hall located at 1415 Santa Anita Avenue, Senior Center located at 1556 Central Avenue and the Community Center located at 1530 Central Avenue, South El Monte, California.

VIEWING OF AGENDA PACKETS

Full agenda packet can be viewed either at www.cityofsouthelmonte.org/129/City-Council-Agendas-Minutes or in the City Clerk's Office during normal business hours Monday through Thursday 7:00 a.m. to 5:30 p.m. Closed on Fridays and major holidays.

ISSUES RELATED TO AGENDA

For issues related to the agenda, including a disability-related accommodation necessary to participate in this meeting, please contact:

Donna G. Schwartz, CMC, City Clerk
Ph (626) 579-6540 ext. 3280
Cell (626) 274-0412

Paola Lara, Deputy City Clerk
Ph (626) 579-6540 ext. 3220
Cell (626) 374-1998

1. ROLL CALL

Councilmembers: Acosta, Delgado, Retamoza, Mayor Pro Tem Angel and Mayor Olmos

2. PLEDGE OF ALLEGIANCE

Councilmember Gracie Retamoza

3. INVOCATION

Pastor Charlie Corum, South El Monte Community Outreach

4. PRESENTATIONS

4.a. "State of the College," Presentation by Teresa Dreyfuss, Superintendent/President, Rio Hondo College, Summarizing Key Accomplishments and Activities on Campus

4.b. Audit Results and Financial Update, Presented by William Fox, Interim Finance Director

5. APPROVAL OF THE AGENDA AND WAIVER OF FULL READING OF ORDINANCES

By motion of the City Council, this is the time to notify the public of any changes to the agenda, remove items from the consent calendar for individual consideration and/or rearrange the order of the agenda.

6. PUBLIC COMMENT

Speakers may provide public comments on any matter within the subject matter jurisdiction of the City Council, including items on the agenda. Each speaker may speak up to five minutes. Unless a majority of the Council objects, the Mayor may provide speakers more or less time to speak. With respect to non-public hearing items, speakers shall provide their comments at this time. During public hearing, speakers are encouraged to speak at the time the public hearing item is presented. Any documents for review should be presented to the City Clerk for distribution.

7. CONSENT CALENDAR

Items on the consent calendar are considered to be routine and customary 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.

7.a. CONSIDERATION AND APPROVAL OF THE REGULAR CITY COUNCIL MEETING MINUTES FOR OCTOBER 26, 2021 AND SPECIAL CITY COUNCIL MEETING MINUTES FOR DECEMBER 22, 2020

Staff is requesting approval of Minutes for October 26, 2021 Regular City Council Meeting and December 22, 2020 Special City Council Meeting which were inadvertently excluded from the January 2021 agenda.

RECOMMENDED ACTION: Staff recommends City Council approve the Minutes of the Regular City Council Meeting of October 26, 2021 and Special City Council Meeting of December 22, 2020.

7.b. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-71, APPROVING WARRANTS FOR THE PERIOD OF OCTOBER 27, 2021 THROUGH NOVEMBER 9, 2021

Authorizing payment of City expenditures for the period of October 27, 2021 through November 9, 2021 totaling \$903,004.87

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-71, authorizing payment of City expenditures.

7.c. CONSIDERATION AND APPROVAL TO SOLICIT REQUEST FOR PROPOSALS (RFP) FOR AUDITING SERVICES

City Council is requested to approve the RFP for financial auditing services and to solicit proposals from qualified auditing firms.

RECOMMENDED ACTION: Staff recommends City Council approve the RFP for auditing services and authorize the City to solicit proposals for auditing services.

7.d. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-72, PROCLAIMING A LOCAL EMERGENCY PERSISTS AND AUTHORIZING THE USE OF REMOTE TELECONFERENCE MEETING PROCEDURES BY THE CITY'S LEGISLATIVE BODIES AS AUTHORIZED BY GOVERNMENT CODE SECTION 54953(E) ET SEQ. FOR THE PERIOD OF NOVEMBER 9, 2021 THROUGH DECEMBER 9, 2021

On September 16, 2021, Governor Newsom signed AB 361 into law. AB 361 was made effective October 1, 2021. Pursuant to AB 361, staff recommends consideration of Resolution No. 21-72, proclaiming a local emergency persists and authorizing the use of remote meeting procedures by the City's legislative bodies, which can include meetings held via a virtual platform (e.g. Zoom), for the period of November 9, 2021 through December 9, 2021.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-72, proclaiming a local emergency persists and authorizing the use of alternative meeting procedures by the City's legislative bodies, such as utilizing a virtual platform (e.g. Zoom) for the period of November 9, 2021 through December 9, 2021.

CONSENT CALENDAR (CONTINUED)

7.e. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-73, AWARDING A PROFESSIONAL SERVICES AGREEMENT (PSA) TO KOSMONT TRANSACTION SERVICES FOR FINANCIAL ADVISORY SERVICES**

On September 29, 2021, the City issued a Request for Proposals (RFP) for Financial Advisory Services in conjunction with addressing the CalPERS unfunded pension liability. Four proposals were received by the deadline of October 21, 2021, by 4:00 p.m. Finance and City Administration have reviewed the proposals and determined that of the four companies, Kosmont Transaction Services is the financial advisory firm that can best meet the needs of the City.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-73, awarding a professional services agreement to Kosmont Transaction Services for financial advisory services and authorizing City Manager to execute agreement.

8. **PUBLIC HEARINGS**

8.a. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-74, ADOPTING A GENERAL PLAN AMENDMENT (GPA) (NO. 21-02) TO UPDATE THE DENSITY OF THE MIXED USE CATEGORY OF THE LAND USE ELEMENT TO MATCH THE COMMERCIAL-RESIDENTIAL ZONE**

The Mixed Use category of the Land Use Element caps densities at 29 dwelling units per acre, and was not updated to reflect the increased densities of the C-R zone that was adopted in 2012. Because of this, an update to the Mixed Use category is required to reflect the density in the C-R zone.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-74, adopting the General Plan Amendment No. 21-02.

General Business begins on next page.

9. GENERAL BUSINESS

9.a. APPOINTMENT/RE-APPOINTMENT OF A REPRESENTATIVE TO THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT BOARD OF TRUSTEES

Per the Greater Los Angeles County Vector Control District Board of Trustees (GLACVCD) the term of office for Trustee Hector Delgado as a member of the Board is set to expire on January 3, 2022. Pursuant to Section 2024 of the State Health and Safety Code (SHSC) governing the dates of term of office of members appointed to the Board of Trustees, the City Council may consider reappointing Trustee Delgado or appointing a new trustee for a two or four-year term of the office, commencing at noon on the first Monday of January (i.e. January 3, 2022).

RECOMMENDED ACTION: Staff recommends City Council consider appointment/re-appointing of a representative to the Greater Los Angeles County Vector Control District Board for a two or four-year term commencing on January 3, 2022.

9.b. CONSIDERATION AND APPROVAL OF LETTER OF SUPPORT TO FUND THE CITY OF SOUTH EL MONTE'S HOMELESS PREVENTION PROGRAM AND AUTHORIZATION TO INCLUDE THE CITY COUNCILMEMBERS' SIGNATURES

The City has received funding from the San Gabriel Valley Council of Governments (SGVCOG) to fund its Homeless Prevention Program in the amount of \$15,000. For the past three months, the City has provided homeless prevention services to homeless clients, totaling \$12,000. There is no additional funding available from the SGVCOG for this fiscal year once our funding expires at the end of November 2021. Funding was cut for the upcoming fiscal year and staff was unsuccessful in obtaining funds for our programs. The letter of support outlines the increasing needs that city staff encountered from our homeless community and the limited resources available with Los Angeles Homeless Services Authority and Union Station.

RECOMMENDED ACTION: Staff recommends City Council approve the letter of support to fund City of South El Monte's Homeless Prevention Program for the remaining fiscal year and next fiscal year, and authorize to include City Councilmembers' signatures.

10. COMMITTEE REPORTS, INCLUDING AB 1234 REPORTS

AB 1234 requires councilmembers briefly report, orally or in writing, on meetings attended at City expense (i.e. League of California Cities Conferences, ICSC conferences, etc.) at City Council meetings following the meeting.

11. CORRESPONDENCE

11.a. CORRESPONDENCE FROM THE EL MONTE/SOUTH EL MONTE CHAMBER OF COMMERCE REQUESTING SPONSORSHIP FOR THEIR “100th” ANNIVERSARY CELEBRATION SCHEDULED FOR APRIL 2022

The Chamber is offering various sponsorship opportunities in amounts such as \$5000 Diamond, \$2500 Platinum, \$1000 Gold, and \$500 Silver.

All sponsorships

include acknowledgement on social media, logo placements, t-shirts etc.

RECOMMENDED ACTION: Staff recommends City Council discuss and, if approved, appropriate recommended amount.

11.b. CORRESPONDENCE FROM THE SOUTH EL MONTE EMPLOYEES ASSOCIATION (SEMEA) REQUESTING SPONSORSHIP FOR THE ANNUAL SOUTH EL MONTE EMPLOYEE HOLIDAY RECOGNITION DINNER

The South El Monte Employees Association is requesting a \$2000 sponsorship for the Annual South El Monte Employee Holiday Recognition Dinner, which includes acknowledgment of sponsorship signs placed on the dinner tables, venue, dinner, and purchase of awards to employees in recognition for their years of service.

RECOMMENDED ACTION: Staff recommends City Council consider and approve sponsorship in the amount of \$2,000 for the Annual South El Monte Employees Holiday Recognition dinner.

11.c. CORRESPONDENCE FROM SOUTH EL MONTE COMMUNITY OUTREACH (SEMCO) REQUESTING THE USE OF THE CITY'S COMMUNITY CENTER PARKING LOT TO HOST A THANKSGIVING FOOD DRIVE

SEMCO is requesting the use of the City's Community Center Parking Lot to host their annual Thanksgiving Food Drive that will be held on Wednesday, November 24, 2021 from 10:00 a.m. to 2:00 p.m.

RECOMMENDED ACTION: Staff recommends City Council approve the request made by South El Monte Community Outreach.

12. COUNCILMEMBERS' AGENDA

12.a. COUNCILMEMBER GRACIE RETAMOZA

1. Discussion on City Banner Policy and Implementation of Fees.

13. CLOSED SESSION

13.a. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION

Government Code Section 54956.9 – [One Case]

Sanjay Patel et al v. City of South El Monte
Los Angeles County Superior Court Case BC720458

14. ADJOURNMENT

Tuesday, December 14, 2021 at 6:00 p.m.

I Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted not less than 72 hours at the following locations: City of South El Monte City Hall, Senior Center and Community Center and made available at www.cityofsouthelmonte.org on this 4th day of November, 2021.



City Clerk, CMC



City Council Agenda Report

Agenda Item No. 4.a.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Donna Schwartz, City Clerk

SUBJECT: "State of the College," Presentation by Teresa Dreyfuss, Superintendent/President, Rio Hondo College, Summarizing Key Accomplishments and Activities on Campus

SUMMARY:

RECOMMENDED ACTION:

FISCAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

A. Presentation



2021 State Of the College

South El Monte City Council
November 9, 2021



Río Hondo College
Board President
Rosaelva Lomeli



Río Hondo College
Superintendent/President
Teresa Dreyfuss



Board Mandates Vaccination

- Board of Trustees mandated vaccinations for all students, faculty and staff on Aug. 18, 2021.
- The campus was safe to return for the 2021 Fall Semester, which started on Aug. 21st.
- As part of our safety preparedness for Fall 2021, our Campus COVID-19 Taskforce worked diligently to ensure campus safety for all.
- The HVAC system is maintained and monitored regularly to ensure proper ventilation. Filtration with MERV-13 filters and ionization equipment were installed throughout the campus.

Vaccination Clinics

- Partnered with Supervisor Hilda Solis and Active SGV to co-host two COVID-19 vaccine clinics at the El Monte Education Center in July and August.
- This fall we have hosted three clinics on our main campus.



Non-Credit Courses

- On November 10, our Board of Trustees will approve the following non-credit courses to the City of South El Monte:
 - Physical Fitness for Older Adults
 - Painting for Older Adults
- Both courses will be offered through Rio Hondo College's Office of Continuing Education.



Board Adopts Balanced 2021-22 Budget

- The Board adopted a balanced 2021-22 budget on Sept 8, setting aside ample funding for student financial aid.
- Río Hondo College's finances are solvent and stable.
- The reserves in the general unrestricted funds is \$24 million , which is 25.3%.
- The adopted budget allocates about \$23.4 million for student financial aid from the general fund and approximately \$27.5 million from the Financial Aid Fund, which came from \$47.9 million from COVID-19 federal revenue.

Efforts to Address Enrollment Decline

- Enrollment decline by approximately 10% compared to pre-pandemic.
 - The state will hold all colleges harmless
- Establishing (CCAP) agreements with all in District High School Partners.
 - Dual enrollment
- CALL Campaign to students, which began two years ago.

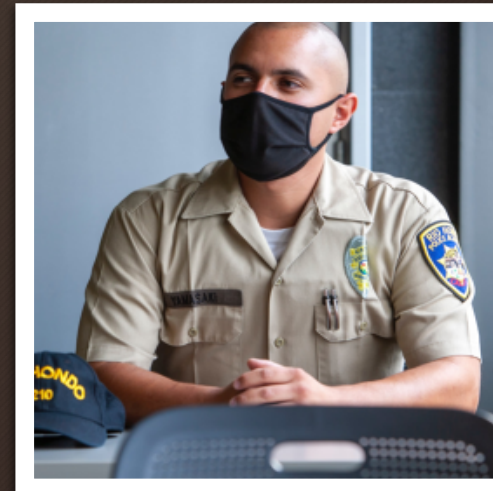
Campus Accomplishments Highlights

- Career Tech: continues training RHC students
 - TESLA Program Internship
 - TESLA Energy Program with solar panels
- Debate Team and *El Paisano* students competed remotely and got big wins!
- Nursing graduates who took their National licensing exams, passed with a 99-100% rate!
- Thanks to the assistance of Mayor Gloria Olmos, we were able to have a signed contract with Greater El Monte Community Hospital for our nursing students to intern in time.



Campus Accomplishments Highlights cont.

- New batting cages were constructed
 - Congresswoman Sánchez practiced baseball on our campus on Aug 12th.
- During pandemic, Library staff distributed Chromebook, hotspots, laptops, desktop computers, digital cameras, and graphing calculators to students in need.
- Got awarded Title V funded ENLACE program
 - \$2.29 million
- Many graduates from Police and Fire Academies
 - From 2020-2021: 130 Río Hondo Fire Academy graduates.
 - From 2020 to July 2021: 131 Río Hondo Police Academy graduates .



Campus Accomplishments Highlights cont.



- Financial Aid awarded as of June 2021: \$41 million
- Transfer Center and CARmencement
 - 915 students transferred to 4-year UCs and CSUs (not including privates)
 - Close to 1,800 Associate of Arts and Science degrees were conferred in May 2021, many of them participated in CARmencement!
 - Of those degrees, 1,203 are Associate Degree for transfer, eligible for admission to CSUs.
- Río Hondo College was one of 54 colleges selected for California State University, Chico's CalFresh grant expansion to provide RHC with \$432,726 to promote CalFresh to students.



Marketing and Communications

- The Marketing and Communications Team implemented the California Community College's Office Media Preference Survey to measure the media choices and consumption habits of our students.
- Out of all the community colleges in CA, **Río Hondo College came in the TOP FIVE!**



ASPEN INSTITUTE

- Thanks to our Board's leadership, Río Hondo College will receive increased support, through the Aspen Institute grant, to complete transfer level math courses during their first year.
- This creates a pathway for more students to complete their degrees and transfer to four-year universities.



Student Basic Needs

- **Grab & Go:**
 - 3,274 Students Served
 - 15,603 Individuals including Household Members
- **Housing:**
 - 289 Nights at Hotel Emergency Shelter
 - 157 Housing referrals to Partner Agencies
 - 21 Housed with Jovenes, Inc.
 - 12 Housed with Partner Agencies
- **Mental Health Support and Partnerships:**
 - The Whole Child
 - Asian Pacific Islander with Disabilities of CA
 - East Los Angeles Women's Center
- **HHI Counts:**
 - Prior to pandemic, 86 students self-identified as lacking "fixed, stable nighttime residence"
 - Spring 2021, 249 students self-identified to the same question



Accreditation: Visit in March 2022

- Site visit is scheduled the week of March 14, 2022.
- The site visit is a peer review evaluation of the College by a panel of community college professionals from other colleges in our region.
- The College will submit the final draft of the self-evaluation and the evidence in support of the evaluation to the accrediting commission in December.
- The self-evaluation is about 224 pages long and asks the College to examine its institutional effectiveness in relation to its mission, student learning, achievement, quality of its academic programs, student services, learning support programs and services, and the quality and effectiveness of its resources.

Visit by Congresswoman Linda Sánchez

- Río Hondo College and its students will benefit from \$28.8 million in COVID-19 recovery funds, presented by Congresswoman Linda Sánchez during her visit to the College on July 8.
- Check presentation in the Board Room with Board of Trustees.



Thank you!

Thank you for your support!





City Council Agenda Report

Agenda Item No. 4.b.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: William Fox, Interim Finance Director

SUBJECT: Audit Results and Financial Update, Presented by William Fox, Interim Finance Director

SUMMARY: This presentation is a summary of the results of the most recently completed annual audit. It covers financial highlights, audit findings, and corrective actions. In addition, updated information is provided on the CalPERS unfunded pension liability, Other Post-Employment Benefits, and initiatives currently being addressed to improve operations.

RECOMMENDED ACTION: City Council is requested to receive and file this presentation. No action is being requested.

FISCAL IMPACT: There is no fiscal impact. This is a briefing where no action is being requested.

DISCUSSION: The annual audit for the period ending June 30, 2020 has been completed by the external auditors. The results of the audit are being shared. The City received an unmodified "clean" opinion, which is the best rating that can be achieved. There were five audit findings identified where corrective action is required. The City concurs with the five audit findings and has either implemented a solution or plans on doing so in the near future. The presentation also covers updates on the CalPERS unfunded pension liability, Other Post Employment Benefits (OPEB) liability, Incode Financial System, and telephone & Internet upgrade efforts. The City continues to make improvements in financial reporting each year and expects this to continue when the new Incode Financial System becomes operational.

ATTACHMENT(S):

A. Audit Results Update



City of Achievement



CITY OF SOUTH EL MONTE

Audit Results & Financial Update

November 9, 2021

OVERVIEW

- Audit Trends
- Financial Highlights of June 30, 2020 Audit
- Audit Findings on June 30, 2020 Audit
- Status of June 30, 2021 Audit
- CalPERS Unfunded Pension Liability
- Other Post Employment Benefits (OPEB)
- Incode Financial System
- Telephone & Internet Upgrade
- Questions?

AUDIT TRENDS

Reporting Period: FY 2017-2018

- Auditing Firm – White Nelson Diehl Evans
- Completion Date: September 9, 2019
- Number of Findings: 15
- Auditor gave notice and resigned

Reporting Period: FY 2018-2019

- Auditing Firm – CWDL
- Completion Date: December 8, 2020
- Number of Findings: 9

Reporting Period: FY 2019-2020

- Auditing Firm – CWDL
- Completion Date: June 11, 2020
- Number of Findings: 5
- City gave termination notice on October 26, 2021



FISCAL YEAR 2019-2020

FINANCIAL HIGHLIGHTS



- An unmodified “Clean” opinion was earned.
- No material weaknesses identified in financial reporting.
- Five findings were reported as significant deficiencies. Corrective actions being addressed.
- Ending Citywide net assets are \$26,468,877
- General Fund balance increased by \$438,054
- Citywide expenses exceeded revenues only by \$157,086
- General Fund ending balance was \$6,399,267, of which \$6,387,767 was undesignated for reserves and future needs.
- Long-term debt decreased by \$144,595 by making annual principal and interest payments. No new debt incurred.

AUDIT FINDINGS & CORRECTIVE ACTIONS



- **Journal Entry Review** – Formal review of journal entries is needed. City agrees and will implement a review process.



- **Cash Reconciliations** – Timelier bank reconciliations and review process needed. City is now current on bank reconciliations. Review process is also being implemented.



- **Interfund Advances** – Interfund advances not expected to be paid back within 1 year should be approved by City Council. City concurs and will submit for approval when required.



- **Cash Receipting & Revenue Recognition** – Cash receipts and revenue sometimes delayed in recording. City concurs and addressed this through monthly bank reconciliations.



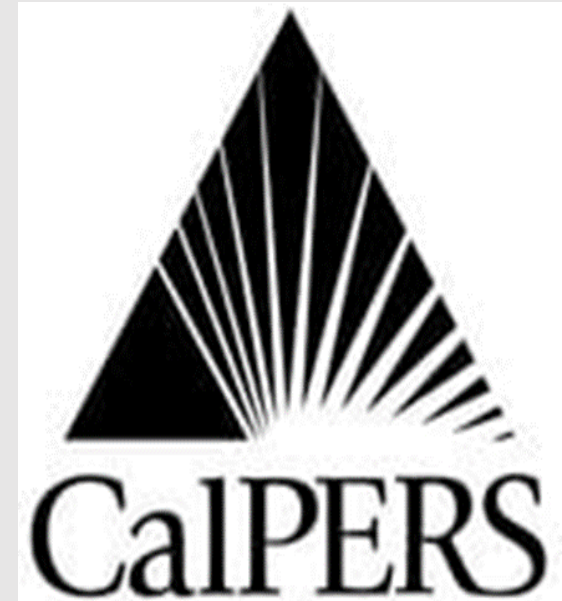
- **Credit Cards** – User agreements need to be signed, training needed, and supporting documentation requires retention. City concurs and will develop procedures to address the concerns.

STATUS OF AUDIT FOR FISCAL YEAR 2020-2021

- Best practices recommend a periodic rotation of auditing firms to help ensure independence.
- CWDL was selected through an RFP process and were awarded a three-year contract as lowest cost qualified bidder. They have completed two years of service.
- Concern exists over the length of time to issue audited financial statements. Delays can have a negative impact on our good standing with the State Auditor, State Controller, and bond rating agencies.
- A thirty-day notice was given on October 26th terminating the third year of the agreement.
- An RFP is being submitted to City Council for approval tonight.

UNFUNDED PENSION LIABILITY

- Council was previously briefed that the pension was 73% funded with an unfunded pension liability of \$8.2 million. This was based upon last year's CalPERS reporting.
- For audit reporting and disclosure purposes the City is required to have an independent actuary report performed annually. The recently completed report reflects the pension is now 71% funded with a liability of \$8.9 million.
- CalPERS has announced that they are reducing the discount rate from 7.0% to 6.8%. This means the City will be required to make up the difference of 0.2% through additional contributions. The unfunded pension liability is also expected to increase.
- The RFP for the Financial Advisor was completed. Seven firms were requested to submit a proposal. The RFP was also posted on the City's website. Four responses were received. Recommendation to be presented for City Council approval.



OTHER POST-EMPLOYMENT BENEFITS (OPEB)

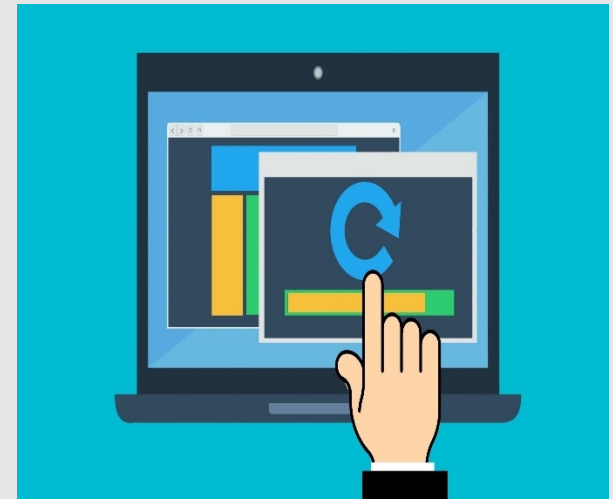


Retiree Health Care

- The City's **previously reported an OPEB obligation to employees of \$1.6 million.** This represents the future cost of unfunded retiree health care benefits for eligible employees upon retirement.
- For the annual audit and disclosure purposes an updated actuary report was commissioned. This latest report reflects that **the liability has now increased to \$1.9 million.**
- The State Auditor previously reported this a High Risk area where the City's attention is required.
- The City has identified three entities that that can develop a funding strategy and IRS Section 115 trust for the funding of this obligation.
- The three entities to be contracted and requested to provide a proposal are CalPERS, PARS, and Keenan & Associates.

INCODE FINANCIAL SOFTWARE IMPLEMENTATION

- The City's current financial system has been inadequate due to failure to upgrade the software to a modern version, which resides on the cloud. This did not allow the Finance staff to work externally during the COVID-19 pandemic.
- Research was conducted and the results were that Tyler Technologies Incode system was rated number 1 for cities, government agencies, and schools.
- The City obtained a "piggyback" contract through Sourcewell, a Joint Power Authority, that is used for obtaining competitive quotes. The first-year cost is \$88,000, including system onboarding. Subsequent years the cost is \$51,650.
- The implementation is being led by the Accounting Manager and is ahead of schedule.
- Implementation is anticipated to be completed in March 2022 with a complete cutover from the old system by April 2021.
- By achieving this accelerated implementation, a savings of \$50,000 is achieved through the early termination of the old software contract.
- Implementation will help mitigate audit findings since best practices are part of the software design.



Incode Financial Software

TELEPHONE AND INTERNET UPGRADE



- The City's 5-year agreement with Windstream Technologies for landline phones and internet ends on December 11, 2021. Based upon the level of existing activity the cost is averaging \$5,600 a month.
- AMC, our IT consulting firm, recommended that due to technology changes, improved voice quality, and Internet speed that an upgraded system could be obtained for approximately half of the current cost.
- The upgraded Internet connection has been installed. The software to be used is Microsoft Teams is being upgraded and will be finalized prior to the Windstream contract termination.

Questions?



City Council Agenda Report

Agenda Item No. 7.a.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Donna Schwartz, City Clerk

SUBJECT: CONSIDERATION AND APPROVAL OF THE REGULAR CITY COUNCIL MEETING MINUTES FOR OCTOBER 26, 2021 AND SPECIAL CITY COUNCIL MEETING MINUTES FOR DECEMBER 22, 2020

SUMMARY: Staff is requesting approval of Minutes for October 26, 2021 Regular City Council Meeting and December 22, 2020 Special City Council Meeting which were inadvertently excluded from the January 2021 agenda.

RECOMMENDED ACTION: Staff recommends City Council approve the Minutes of the Regular City Council Meeting of October 26, 2021 and Special City Council Meeting of December 22, 2020.

FISCAL IMPACT: None.

DISCUSSION: None.

ATTACHMENT(S):

- A. October 26, 2021 Minutes
- B. December 22, 2020 Minutes

**CITY OF SOUTH EL MONTE
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, October 26, 2021 - 6:00 PM**

1. ROLL CALL

Mayor Olmos called the meeting to order at 6:02 PM

PRESENT: Councilmember(s): Acosta, Retamoza, Mayor Pro Tem Angel, and Mayor Olmos

ABSENT: Councilmember(s): Delgado

STAFF PRESENT: Rachel Barbosa, City Manager; Anthony R. Taylor, City Attorney; Rene Salas, Deputy City Manager; Colby Cataldi, Community Development Director; and Paola Lara, Deputy City Clerk.

STAFF ABSENT: Donna G. Schwartz, City Clerk.

Zoom was provided for the Public to participate during public comment via teleconference.

2. PLEDGE OF ALLEGIANCE – Mayor Gloria Olmos led the Pledge of Allegiance.

3. INVOCATION – Pastor Patricia Garrett, Faith Dominion Church, offered the Invocation.

Mayor Olmos requested to pull Item 7.d. from the Consent Calendar, City Attorney Anthony Taylor announced the item. Council concurred with the Mayor's request.

ITEM PULLED FROM CONSENT CALENDAR

7.d. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-69 PROCLAIMING A LOCAL EMERGENCY PERSISTS AND AUTHORIZING THE USE OF REMOTE TELECONFERENCE MEETING PROCEDURES BY THE CITY'S LEGISLATIVE BODIES AS AUTHORIZED BY GOVERNMENT CODE SECTION 54953(E) ET SEQ. FOR THE INITIAL PERIOD OF OCTOBER 26, 2021 THROUGH NOVEMBER 25, 2021

Consideration of Resolution No. 21-69: A Resolution of the City Council of the City of South El Monte proclaiming a local emergency persists and authorizing the use of remote meeting procedures by the City's legislative bodies, as authorized by government code section 54953(e) *et seq.*, for the initial period of October 26, 2021 through November 25, 2021.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-69 proclaiming a local emergency persists and authorizing the use of remote teleconference meeting procedures by the City's legislative bodies, as authorized by government code section

54953(e) *et seq.*, for the initial period October 26, 2021 through November 25, 2021.

Mayor Olmos opened public comment for Item 7.d., there being none, closed public comment.

A motion was made by Councilmember Retamoza, seconded by Mayor Pro Tem Angel to adopt Resolution No. 21-69 proclaiming a local emergency persists and authorizing the transition to use of remote teleconference meeting procedures by City's the legislative bodies, as authorized by government code section 54953(e) *et seq.*, for the initial period of October 26, 2021 through November 25, 2021. Motion carried 4-0-1, by the following vote:

AYES: Councilmember(s): Acosta, Retamoza, Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

ABSENT: Councilmember(s): Delgado

At 6:07 p.m. Councilmember Delgado joined the meeting via zoom and spoke in support of the resolution.

4. PRESENTATIONS

- 4.a.** City Council presented a plaque to Teacher Teresa Lopez and thanked her for 40 years of service to the City of South El Monte.

City Council presented a plaque to Teacher Maryann Garcia for 44 years of service to the City of South El Monte. Ms. Garcia was unable to attend the meeting.

- 4.b.** Dr. Elizabeth Evans, Superintendent; Veronica Castillo, President; Veronica Lauria, Vice President; Rudy Martinez, Trustee; and Larry Rodriguez, Trustee of the Valle Lindo School District thanked Mayor Olmos and City Council for their support in preparation for the children's return to in-person learning for their commitment to the students and community, and thanked Community Development Director Colby Cataldi for the Shively Park Blacktop Renovation Project.

Plaques were presented to the City of South El Monte Community Development for the Shively Park Blacktop Renovation Project and to City of South El Monte Code Enforcement for their commitment to ensuring student safety.

- 4.c.** City Council received a presentation from Richard Corral, Homeless Services Coordinator, on the State of Homelessness in the City and Deputy City Manager Rene Salas provided information on the City's endeavors to assist homeless individuals and families.

- 4.d.** City Council received a report from the Sheriff's Department and discussed matters concerning law enforcement in the City for the month of September.
- 4.e.** City Council received a report from Community Development Director Colby Cataldi on code enforcement and public safety activities for the month of September and noted staff is in discussion with Athens Services about reducing street sweeping days from five days to two days a week and changing the street sweeping schedule, which would require a municipal code amendment. Additionally, there will be discussion with Athens Services about possibly reducing the number of days that the trash is picked up.

City Council voiced concerns with changing the current street sweeping schedule and hours of operation, and discussed the signage that is required to be posted for street sweeping. Community Development Director Colby Cataldi stated a matrix would be created comparing current and proposed street sweeping schedules and brought back for Council's consideration and staff would evaluate if additional signage is needed on Durfee and Michael Hunt.

Mayor Olmos recommended adding the street sweeping holiday schedule to the back of street sweeping signs posted on the streets.

5. APPROVAL OF THE AGENDA AND WAIVER OF FULL READING OF ORDINANCES

A motion was made by Mayor Pro Tem Angel, seconded by Councilmember Retamoza to approve the agenda. Motion carried 5-0, by the following vote:

AYES: Councilmember(s): Acosta, Delgado, Retamoza, Mayor Pro Tem Angel and Mayor Olmos
NAYS: Councilmember(s): None

6. PUBLIC COMMENT

Mayor Olmos opened public comment, there being none, closed public comment.

7. CONSENT CALENDAR

A motion was made by Mayor Pro Tem Angel, seconded by Councilmember Retamoza to approve the Consent Calendar items 7.a. – 7.c. and 7.e. Motion carried 5-0, by the following vote:

AYES: Councilmember(s): Acosta, Delgado, Retamoza, Mayor Pro Tem Angel, and Mayor Olmos
NAYS: Councilmember(s): None

- 7.a. Approved Minutes for the Regular City Council Meeting held October 12, 2021.
- 7.b. Adopted Resolution No. 21-67, approving warrants for the period of October 13, 2021 through October 26, 2021 totaling \$1,594,389.50.
- 7.c. Adopted Resolution No. 21-68, authorizing the City Manager or designee to apply for the HCD CalHome Grant Program in the amount of \$4,000,000 for First-Time Homebuyer Mortgage Assistance and Accessory Dwelling Unit/Junior Accessory Dwelling Unit programs, and if awarded, authorize the City Manager or designee to execute the HCD standard agreement with the State, and approve a not to exceed limit of \$50,000 for loan recipients.
- 7.e. Adopted Resolution No. 21-70, approving Amendment No. 7 to Agreement Subaward Number ENP202110 with the County of Los Angeles for Elderly Nutrition Program Services and authorizing the City Manager, or her designee, to execute the same.

8. **PUBLIC HEARINGS:** None.

9. **GENERAL BUSINESS**

9.a. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-71, AWARDING PROFESSIONAL SERVICES AGREEMENT TO ACTIVE SAN GABRIEL VALLEY TO PROVIDE PUBLIC ENGAGEMENT AND COMMUNITY ASSESSMENT SERVICES FOR THE RUSH STREET CORRIDOR ENHANCEMENT PLAN**

Mayor Olmos introduced the Item and Community Development Director Colby Cataldi presented the staff report.

A motion was made by Councilmember Acosta, seconded by Councilmember Retamoza to adopt Resolution No. 21-71, awarding a professional services agreement in the amount of \$102,831, to Active San Gabriel Valley to provide public engagement and community assessment services for the Rush Street Corridor Enhancement Plan. Motion carried 5-0 by the following vote:

AYES: Councilmember(s): Acosta, Delgado, Retamoza, Mayor Pro Tem Angel, and Mayor Olmos

NAYS: Councilmember(s): None

10. **COMMITTEE REPORTS, INCLUDING AB 1234 REPORTS**

Councilmember Acosta announced he attended Sheriff Alex Villanueva's Community Conversation and Epiphany's 1st Annual Oktoberfest Car Show.

Councilmember Retamoza announced she attended the El Monte/South El Monte Chamber of Commerce Halloween event and Epiphany's 1st Annual Oktoberfest Car Show.

Councilmember Delgado announced he attended Greater Los Angeles County Vector Control's meeting and noted Executive Director Truc Dever will be leaving the District, provided an update on El Monte Union High School District Redistricting Commission's meeting and two possible final redistricting maps. He requested City Manager Rachel Barbosa share the maps with City Council should they want to provide their input to the Commission before final approval next month.

Mayor Pro Tem Angel announced he attended Sheriff Alex Villanueva's Community Conversation, Epiphany's 1st Annual Oktoberfest Car Show, El Monte/South El Monte Chamber of Commerce Halloween event, and Mountain View High School's 50th Anniversary.

Mayor Olmos announced she attended Sheriff Alex Villanueva's Community Conversation, Mountain View High School's 50th Anniversary, Epiphany's 1st Annual Oktoberfest Car Show, El Monte/South El Monte Chamber of Commerce Halloween event, and announced Greater El Monte's Hospital's Covid-19 rates are decreasing and booster shots are available for the Pfizer vaccine.

11. CORRESPONDENCE - None

12. COUNCILMEMBERS' AGENDA

12.a. Mayor Pro Tem Richard Angel

1. Discussion on Hosting a City Employee Family Picnic

Mayor Pro Tem Richard Angel inquired about the possibility of hosting a City employee family picnic in February or March for employee morale. Council concurred.

City Attorney Anthony Taylor offered to donate food for the event.

Staff was directed to prepare a staff report with a proposed budget and activities and bring back to Council for consideration.

2. Follow Up on Proposed City Farmers Market

Mayor Olmos stated the City had previously worked on bringing a farmer's market to the City. She would like to bring back this project to implement a farmer's market. Council concurred.

Staff was directed to prepare a staff report and bring it back to City Council at a future date.

13. CLOSED SESSION – None

14. RECESS COUNCIL MEETING

Mayor Olmos recessed the meeting at 7:45 p.m. and reconvened at 7:47 p.m.

15. ADJOURN COUNCIL MEETING

There being no further business coming before this body, at 7:47 p.m. Mayor Olmos adjourned the meeting in memory of Brian Urias, Mayor of the City of Duarte, and Brian Sanchez, South El Monte resident and South El Monte High School alumni, to a regular meeting on Tuesday, November 9, 2021 at 6:00 p.m.

Donna G. Schwartz, CMC, City Clerk

Gloria Olmos, Mayor

**CITY OF SOUTH EL MONTE
SPECIAL CITY COUNCIL MEETING MINUTES
TUESDAY, DECEMBER 22, 2020**

1. ROLL CALL

Mayor Olmos called the meeting to order at 5:00 p.m.

PRESENT (via Zoom Webinar): Councilmember(s): Acosta, Angel, Delgado, Mayor Pro Tem Retamoza, and Mayor Olmos.

STAFF PRESENT (via Zoom Webinar): Rachel Barbosa, City Manager; Anthony R. Taylor, City Attorney; Donna G. Schwartz, City Clerk; Colby Cataldi, Community Development Director; William Fox, Interim Finance Director; Ian McAleese, Assistant Planner and Paola Lara, Deputy City Clerk (Via teleconference).

Pursuant to Government Code Section 54953, Subdivision (B) and Governor Newsom's Executive Order N-25-20, dated March 12, 2020, and Executive Order N-29-20, dated March 17, 2020, Teleconference was provided for the Public and Zoom Webinar was utilized by all City Councilmembers and the City Attorney's Office.

2. APPROVAL OF AGENDA

A motion was made by Councilmember Acosta, seconded by Councilmember Angel to approve the agenda. Motion carried 5-0 by the following vote:

AYES: Councilmembers(s): Acosta, Angel, Delgado, Mayor Pro Tem Retamoza, and Mayor Olmos.

NAYS: None

3. PUBLIC COMMENTS (Via Teleconference)

Mayor Olmos opened public comment, there being none, closed public comment.

4. GENERAL BUSINESS

4.a. ADOPTED RESOLUTION NO. 20-133, AUTHORIZING CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION (CDTFA) FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX (MEASURE ES); AND ADOPTED RESOLUTION NO. 20-134 AUTHORIZING THE EXAMINATION OF TRANSACTIONS & USE TAX RECORDS; AND AUTHORIZING THE CITY MANAGER TO EXECUTE & FILE ADDITIONAL AGREEMENTS, LETTERS AND FORMS WITH THE CDTFA AND OTHER APPROPRIATE STATE AGENCIES AS REQUIRED FOR IMPLEMENTATION OF THE LOCAL TRANSACTIONS & USE TAX (MEASURE ES) AND TO TAKE SUCH OTHER ACTIONS NECESSARY TO IMPLEMENT THE LOCAL TRANSACTIONS & USE TAX (MEASURE ES)

City Attorney Anthony Taylor announced there was a correction to Attachment A – “Exhibit B” for Resolution No. 20-133.

A motion was made by Councilmember Angel, seconded by Councilmember Acosta to 1) adopt Resolution No. 20-133, authorizing the City Manager to execute agreements with the California Department of Tax and Fee Administration (CDTFA) for the implementation of a local transaction and use tax (Measure ES); 2) Adopt Resolution No. 20-134, authorizing City representatives and sales tax consultant to examine sales, transactions and use tax records pursuant to Revenue and Taxation Code Section 7056; and 3) Authorize City Manager to complete, execute, file additional agreements, letters, and forms with the CDTFA and other appropriate state agencies as required for the implementation of the City’s local transactions and use tax, and to take such other actions as may be necessary to implement the City’s local transactions and use tax.

AYES: Councilmembers(s): Acosta, Angel, Delgado, Mayor Pro Tem Retamoza,
and Mayor Olmos.

NAYS: None

5. CLOSED SESSION

At 5:06 p.m. City Attorney Anthony Taylor recessed Council into closed session.

5.a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Potential initiation of litigation pursuant to Government Code Section 54956.9(d)(2) - [One case].

At 5:30 p.m. Mayor Olmos reconvened to open session.

City Attorney Anthony Taylor announced Council discussed Item 5.a., direction was received by Council, there was no further reportable action taken.

6. ADJOURNMENT

There being no further business coming before this body, at 5:31 p.m. Mayor Olmos adjourned the meeting.

Donna G. Schwartz, CMC, City Clerk

Gloria Olmos, Mayor



City Council Agenda Report

Agenda Item No. 7.b.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: William Fox, Interim Finance Director

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-71, APPROVING WARRANTS FOR THE PERIOD OF OCTOBER 27, 2021 THROUGH NOVEMBER 9, 2021

SUMMARY: Authorizing payment of City expenditures for the period of October 27, 2021 through November 9, 2021 totaling \$903,004.87

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-71, authorizing payment of City expenditures.

FISCAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

- A. Resolution No. 21-71
- B. Warrants

RESOLUTION NO. 21-71

A RESOLUTION OF THE SOUTH EL MONTE CITY COUNCIL
ALLOWING CERTAIN CLAIMS AND DEMANDS FOR THE
PERIOD OF OCTOBER 27, 2021 THROUGH NOVEMBER 9,
2021 TOTALING \$903,004.87

THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE DOES HEREBY RESOLVE,
DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: That in accordance with Section 37202 of the Government Code, the Finance Director hereby certifies to the accuracy of the following demands and the availability of funds for payment thereof.

Finance Director

SECTION 2: That the following claims and demands have been audited as required by law and that the same are hereby allowed in the amount hereafter set forth.

	<u>CLAIMANT</u>	<u>CLAIM PERIOD</u>	<u>WARRANT #'S</u>	<u>AMOUNT</u>
FY 21/22	Electronic Warrants	10/27/2021-11/9/2021	5176-5186	\$78,667.23
FY 21/22	Hand Typed Warrants	10/27/2021-11/9/2021	138566-138577	\$27,633.50
FY 21/22	Regular Warrants	10/27/2021-11/9/2021	138578-138643	\$667,445.94
Payroll	Check	PPE 10/30/2021	27529-27534	\$5,789.41
Payroll	Direct Deposit	PPE 10/30/2021	799383-799487	\$123,468.79

TOTAL EXPENDITURES RESOLUTION NO. 21-71 \$903,004.87

PASSED, APPROVED, AND ADOPTED this 9th day of November 2021.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 21-71, was duly passed and approved by the City Council of the City of South El Monte at a regular meeting of said Council held on the 9th day of November 2021, and that said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donna G. Schwartz, City Clerk

City of South El Monte
Warrant Register
Council Meeting of 11/09/2021

Date: 11/3/2021

Time: 10:23AM

FY	Budget Unit	Vendor Name	Check Number	Check Date	Description	Amount
22	05	AFLAC WORLDWIDE HEADQUARTERS	5184	11/2/2021	OCT'21 BILL PERIOD	1,463.72
						\$1,463.72
22	05	BLUE SHIELD OF CA LIFE & HEALTH	5177	10/26/2021	NOV'21 VISION	767.80
						\$767.80
22	05	CALPERS RETIREMENT	5185	11/2/2021	PPE10/16/21 PLAN 685	9,299.95
22	05		5185	11/2/2021	PPE10/16/21 PLAN27216	9,614.36
22	05		5185	11/2/2021	PPE10/16/21 PLAN23047	1,842.78
						\$20,757.09
22	05	DEPARTMENT OF THE TREASURY	5178	10/26/2021	PPE 10/16/21 MED	4,980.10
22	05		5178	10/26/2021	PPE 10/16/21 FEDERAL	15,858.83
22	05		5178	10/26/2021	PPE 10/16/21 FICA	20,286.02
						\$41,124.95
22	05	EMPLOYMENT DEVELOPMENT DEPT.	5179	10/26/2021	PPE10/16 TNG WTHD'G	9.73
22	05		5179	10/26/2021	PPE10/16 UITAX WTHD'G	286.30
22	05		5179	10/26/2021	PPE10/16 STATE WTHD'G	4,976.77
22	011301310		5186	11/2/2021	3RD QTR 2021/ETT	152.45
						\$5,425.25
22	011701730	SOUTHERN CALIFORNIA EDISON	5180	10/26/2021	9/15-10/14 1415 SANTA	1,278.36
22	011701730		5181	10/26/2021	9/15-10/14 1824 CENTR	828.37
22	021701760		5183	11/2/2021	9/21-10/20 9465GARVEY	29.94
						\$2,136.67
22	05	STATE DISBURSEMENT UNIT	5182	10/26/2021	PPE10/16 CASE 0980438	150.00
22	05		5182	10/26/2021	PPE10/16 CASE 1457313	603.50
22	05		5182	10/26/2021	PPE10/16 CASE 2135289	646.15
						\$1,399.65
22	021701760	US BANK VOYAGER FLEET SYS	5176	10/26/2021	8/25-9/24VEHICLE FUEL	5,592.10
						\$5,592.10

Report Total **78,667.23**


City Manager

City of South El Monte
Warrant Register
Council Meeting of 11/09/2021

Date: 11/3/2021

Time: 10:24AM

FY	Budget Unit	Vendor Name	Check Number	Check Date	Description	Amount
22	011601670	INNOVATIVE PLAYGROUNDS COMPANY, I	138568	10/26/2021	SWING RPR PARTS/MVD	785.86
						\$785.86
22	01	LEO BRIONES	138567	10/26/2021	LIGHTING FEE REIMBURS	450.00
						\$450.00
22	05	NATIONWIDE RETIREMENT SOLUTIONS	138569	10/26/2021	PPE 10/16/21	6,402.50
						\$6,402.50
22	011701720	SAFETY-KLEEN SYSTEMS, INC.	138566	10/26/2021	CLARIFIER PUMP SYSTEM	17.00
						\$17.00
22	011701730	SAN GABRIEL VALLEY WATER	138570	10/26/2021	9/15-10/14 2004 RSMD	26.43
22	011701730		138570	10/26/2021	9/14-10/13 2000 SANTA	66.09
22	011701730		138570	10/26/2021	9/15-10/14 2218 RSMD	132.17
22	011701730		138574	11/2/2021	9/10-10/8 1628 DURFEE	260.13
22	011701730		138574	11/2/2021	9/14-10/13 1556 CENTR	280.38
22	011701730		138574	11/2/2021	9/10-10/8 1222 PECK	296.58
22	011701730		138574	11/2/2021	9/14-10/13 1415 SANTA	341.14
22	011701730		138574	11/2/2021	9/14-10/13 1530 CENTR	349.24
22	011701730		138574	11/2/2021	9/14-10/13 1824 CENTR	357.34
22	011701730		138574	11/2/2021	9/14-10/13 1500 CENTR	2,325.68
22	011701730		138574	11/2/2021	9/10-10/8 11016 GOMEZ	26.43
22	011701730		138574	11/2/2021	9/14-10/13 NW MERC/SA	39.65
22	011701730		138574	11/2/2021	9/10-10/8 THIEN/PKWAY	58.83
22	011701730		138574	11/2/2021	9/14-10/13 2022 CENTR	66.09
22	011701730		138574	11/2/2021	9/10-10/8 FARDON-PECK	70.14
22	011701730		138574	11/2/2021	9/14-10/13 10452 RUSH	86.34
22	011701730		138574	11/2/2021	9/14-10/13 1707MERCED	87.18
22	011701730		138574	11/2/2021	9/14-10/13 1900 CENTR	126.84
22	011701730		138574	11/2/2021	9/10-10/8 1660 DURFEE	132.17
22	011701730		138574	11/2/2021	9/14-10/13 1652 TYLER	140.27
22	011701730		138574	11/2/2021	9/10-10/8 1675 DURFEE	148.37
22	011701730		138574	11/2/2021	9/16-10/15 2464 RSMD	152.42
22	011701730		138574	11/2/2021	9/16-10/15 2620 RSMD	160.52
22	011701730		138574	11/2/2021	9/14-10/13 NE MERC/SA	192.93
22	011701730		138574	11/2/2021	9/14-10/13 1819MERCED	207.85
22	011701730		138574	11/2/2021	9/10-10/8 1109 PECK	211.53
22	011701730		138574	11/2/2021	9/10-10/8 1710 DURFEE	219.63
22	011701730		138574	11/2/2021	9/14-10/13 LERMA/MILL	223.68
22	011701730		138574	11/2/2021	9/10-10/8 1502 PECK	243.93
22	011701730		138574	11/2/2021	9/10-10/8 1508 PECK	252.03
22	011701730		138574	11/2/2021	9/14-10/13 1819 CENTR	252.03
						\$7,534.04
22	05	STANDARD INSURANCE	138575	11/2/2021	NOV'21 LIFE & AD&D	1,040.60
22	05		138576	11/2/2021	NOV'21 LIFE AD&D SUPP	500.45
						\$1,541.05
22	05	STATE OF CA FRANCHISE TAX BOARD	138571	10/26/2021	R.CORRAL #624019117	346.18
						\$346.18

City of South El Monte
Warrant Register
Council Meeting of 11/09/2021

Date: 11/3/2021

Time: 10:24AM

FY	Budget Unit	Vendor Name	Check Number	Check Date	Description	Amount
22	011701730	THE GAS COMPANY	138572	10/26/2021	9/15-10/18 1450 LIDCO	27.52
22	011701730		138572	10/26/2021	9/15-10/18 1900 CENTR	48.41
22	011701730		138572	10/26/2021	9/15-10/18 1824 CENTR	85.37
22	011701730		138572	10/26/2021	9/15-10/18 1530 CENTR	143.21
22	011701730		138572	10/26/2021	9/15-10/18 1556 CENTR	199.45
22	011701730		138572	10/26/2021	9/15-10/18 1500 CENTR	4,525.66
						\$5,029.62
22	05	VONS CREDIT UNION	138577	11/2/2021	PPE 10/2/21	45.00
22	05		138577	11/2/2021	PPE 10/16/21	46.50
						\$91.50
22	011301330	WINDSTREAM HOLDINGS, INC	138573	10/26/2021	9/15-10/17 CITY PHONE	5,435.75
						\$5,435.75

Report Total 27,633.50



City Manager

City of South El Monte
Warrant Register
Council Meeting of 11/09/2021

Date: 11/3/2021

Time: 10:25AM

FY	Budget Unit	Vendor Name	Check Number	Check Date	Description	Amount
22	011001030	ALESHIRE & WYNDER, LLP	138583	11/9/2021	SEP'21 PERSONNEL	450.50
22	011001030		138583	11/9/2021	SEP'21 SUCCESSOR AGEN	450.50
22	011001030		138583	11/9/2021	SEP'21 PW ENGINEERING	494.00
22	011001030		138583	11/9/2021	SEP'21 CODE ENFORCE	494.50
22	011001030		138583	11/9/2021	SEP'21 ADDITIONAL SVC	715.50
22	011001030		138583	11/9/2021	SEP'21 PLANNING	1,406.00
22	011001030		138583	11/9/2021	SEP'21 ADDITIONAL SVC	2,410.50
22	011001030		138583	11/9/2021	SEP'21 GENERAL	11,077.00
22	011001030		138583	11/9/2021	SEP'21 REFUSE	11,983.50
22	011001030		138583	11/9/2021	SEP'21 EMERG RSPN#505	304.00
						\$29,786.00
22	011701710	AMAZON CAPITAL SERVICES, INC	138585	11/9/2021	ETHERNET CABLE #505	238.43
22	011701710		138585	11/9/2021	BACKUP BATTERIES/CHAL	264.58
22	011701710		138585	11/9/2021	FACE MASKS/LYSOL #505	340.82
22	011201210		138585	11/9/2021	OFFICE SUPPLIES	418.95
22	011701020		138585	11/9/2021	HDMI SCREEN SPLITTER	69.30
22	011701020		138585	11/9/2021	RAIN GEAR JACKET	74.77
22	011001010		138585	11/9/2021	POSTER FRAME/COUNCIL	83.74
22	011601640		138585	11/9/2021	POOL CHEMICAL TESTER	86.55
22	011601660		138585	11/9/2021	URINAL CARTRIDGE	112.44
22	011001010		138585	11/9/2021	APPLE AIRPODS/ACOSTA	220.77
22	011701720		138585	11/9/2021	WHITE BOARD CREDIT	-215.47
22	011101170		138585	11/9/2021	CROSS GUARD VEST RFND	-16.35
22	011301310		138585	11/9/2021	OFFICE SUPPLIES	11.01
22	011401410		138585	11/9/2021	PLANNING COMM SUP	11.01
22	011701710		138585	11/9/2021	PACKING TAPE	15.10
22	011701710		138585	11/9/2021	DISINFECT SUP #505	15.37
22	011401430		138585	11/9/2021	LAPTOP HDMI ADAPTER	25.16
22	011401100		138585	11/9/2021	PSC DEPT SUP	29.07
22	011701740		138585	11/9/2021	HDMI CONNECTOR/FOLDER	29.41
22	011601640		138585	11/9/2021	POOL CHEMICAL TESTER	44.52
22	011401430		138585	11/9/2021	COM. DEV. DEPT SUP	45.15
22	011101170		138585	11/9/2021	CROSS GUARD EQUIPMENT	49.02
22	011401440		138585	11/9/2021	BLDG & SFTY DEPT SUP	55.34
22	011701720		138585	11/9/2021	PHONE CLIPS	57.18
22	011701720		138585	11/9/2021	TABLET SCREEN PROTECT	65.43
						\$2,131.30
22	01	AMY AREVALOS	138588	11/9/2021	10/24 MVD DEPOSIT RFN	50.00
						\$50.00
22	011407020	ANDY TORRES	138633	11/9/2021	2021 BOOT ALLOWANCE	200.00
						\$200.00
22	011501540	AQUA PURE DRINKING WATER	138586	11/9/2021	10/20DRINK'G H2O/POOL	25.93
						\$25.93
22	011701020	ARAMARK UNIFORM SERVICES, INC	138587	11/9/2021	PW ADMIN UNIFORMS	181.91
22	011701020		138587	11/9/2021	PW ADMIN UNIFORMS	563.88

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FY	Budget Unit	Vendor Name	Check Number	Check Date	Description	Amount
						\$745.79
22	01	ARMEND ESQUIVEL	138601	11/9/2021	10/23 MVD DEPOSIT RFN	50.00
						\$50.00
22	011301330	AT&T	138589	11/9/2021	9/22-10/21 BAN1034752	21.86
22	011301330		138589	11/9/2021	9/15-10/14BAN 1034755	23.05
22	011301330		138589	11/9/2021	9/12-10/11BAN 1067917	23.40
						\$68.31
22	011701720	BASE HILL, INC.	138590	11/9/2021	OCT'21 DISINFECT #505	22,450.00
22	011701020		138590	11/9/2021	OCT'21 JANITORIAL SVC	7,339.00
						\$29,789.00
22	011001010	BELLA SANCHEZ	138625	11/9/2021	COUNCILMEMBER HATS	149.60
22	011701020		138625	11/9/2021	65 PW UNIFORM HATS	1,215.50
						\$1,365.10
22	011501515	BLANCA M. FIGUEROA	138603	11/9/2021	OCT'21 PATRIOTIC MTG	100.00
						\$100.00
22	011511543	BMI	138591	11/9/2021	OCT21-SEP22 MUSIC LIC	368.00
						\$368.00
22	011301330	CALIFORNIA COMMUNICATIONS	138592	11/9/2021	OCT'21 WIRELESS BRIDG	680.00
						\$680.00
22	01	CHRISTINA DELGADO	138598	11/9/2021	10/16 MVD DEPOSIT RFN	50.00
						\$50.00
22	011001040	CIVICPLUS, LLC	138619	11/9/2021	WEBSITE MTNC HOSTING	5,775.01
						\$5,775.01
22	011001050	CONCENTRA	138595	11/9/2021	PHYSICAL-S.HERNANDEZ	206.00
						\$206.00
22	011001050	DANIEL CASAS	138593	11/9/2021	LIVE SCAN REIMBURSE	23.00
						\$23.00
22	011701740	DDC ELECTRIC SUPPLY, INC.	138596	11/9/2021	STEM&SWIVEL PHOTOCCELL	153.03
						\$153.03
22	011601610	DDC PLUMBING SUPPLY, INC.	138597	11/9/2021	CLOSET KITS/CCTR	79.34
						\$79.34
22	011001050	DESHAI WARD	138636	11/9/2021	LIVE SCAN REIMBURSE	20.00
						\$20.00
22	063003020	DRIFTWOOD DAIRY, INC	138600	11/9/2021	10/14 MILK/BREAD NUTR	11.28
22	063003020		138600	11/9/2021	10/11 MILK/BREAD NUTR	23.41
22	063003010		138600	11/9/2021	10/14 MILK/BREAD NUTR	101.58
22	063003010		138600	11/9/2021	10/11 MILK/BREAD NUTR	210.73
						\$347.00
22	011601650	EWING IRRIGATION	138602	11/9/2021	IRRIGATION SUP/NTP	1,318.80
22	011601630		138602	11/9/2021	IRRIGATION RPR/MCTR	200.33
						\$1,519.13

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22	011701710	FIVE DOLLAR BLINDS INC.	138604	11/9/2021	ROLLER BLINDS #505	589.20
						\$589.20
22	011701770	GOT PROPANE INC	138605	11/9/2021	10/28FORKLIFT PROPANE	45.31
						\$45.31
22	011701710	GRANT'S TRUE VALUE HARDWARE	138606	11/9/2021	CHAMBER LIGHTS #505	38.78
22	011701710		138606	11/9/2021	POWER STRIP	13.99
						\$52.77
22	011201210	GRM INFORMATION MANAGEMENT LLC	138607	11/9/2021	JUN'21 DOC SHREDDING	75.00
						\$75.00
22	011301310	HDL COREN & CONE	138609	11/9/2021	OCT-DEC'21 PROP TAX	2,025.00
						\$2,025.00
22	063003020	HUNTINGTON CULINARY	138610	11/9/2021	10/12-10/15 FRZN MEAL	182.90
22	063003010		138610	11/9/2021	10/12-10/15 FRZN MEAL	5,941.60
						\$6,124.50
22	011601610	INDUSTRIAL PIPE & STEEL	138611	11/9/2021	LIGHT POLES SLEEVES	26.14
						\$26.14
22	011201210	INT'L INSTITUTE OF MUNICIPAL CLERKS	138612	11/9/2021	2022 MEMBERSHIP RENEW	215.00
						\$215.00
22	011511541	JAMES DELOACH	138599	11/9/2021	10/20 BBALL OFFICIAL	60.00
						\$60.00
22	01	KIMLEY-HORN AND ASSOCIATES, INC.	138613	11/9/2021	SEP'21 CEQA ANALYSIS	2,107.69
						\$2,107.69
22	011101110	L.A. COUNTY SHERIFF'S DEPT.	138614	11/9/2021	AUG'21 EQUIPMENT	387.50
22	011101110		138614	11/9/2021	AUG'21 GRANT DEPUTY	17,051.33
22	011101110		138614	11/9/2021	AUG'21 LIABILITY INS	46,312.68
22	011101110		138614	11/9/2021	AUG'21 LAW ENFORCEMNT	403,973.00
						\$467,724.51
22	011401410	LARRY RODRIGUEZ	138624	11/9/2021	OCT'21 PC MEETING	150.00
						\$150.00
22	011601610	LBC LIGHTING	138615	11/9/2021	BBALL COURT LIGHTS	412.25
						\$412.25
22	011401410	LEONEL A. BARRERA JR	138616	11/9/2021	OCT'21 PC MEETING	150.00
						\$150.00
22	363603600	LESAR DEVELOPMENT CONSULTANTS	138642	11/9/2021	SEPT'21 HOMELESS PRGM	975.00
						\$975.00
22	011401440	MAIQUES INSPECTION SERVICE	138617	11/9/2021	10/4-10/28INSPECT SVC	4,925.84
						\$4,925.84
22	011501530	OFFICE DEPOT	138618	11/9/2021	OFFICE CALENDARS	196.27
22	011701710		138618	11/9/2021	CHALL SUPPLIES	28.00
22	011701710		138618	11/9/2021	CHALL SUPPLIES	47.57
						\$271.84

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22	011407020	PHOENIX GROUP INFORMATION SYSTEM	138620	11/9/2021	SEP'21 CODE CITATION	1,872.42
22	011401100		138620	11/9/2021	SEP'21 PSO CITATION	10,257.17
						\$12,129.59
22	011601610	POST ALARM SYSTEMS	138621	11/9/2021	NOV'21 ALARM SVC/CCTR	39.25
22	011601620		138621	11/9/2021	NOV'21 ALARM SVC/SCTR	39.25
22	011601630		138621	11/9/2021	NOV'21 ALARM SVC/MCTR	39.25
22	011601640		138621	11/9/2021	NOV'21 ALARM SVC/POOL	39.25
22	011601650		138621	11/9/2021	NOV'21 ALARM SVC/NTP	39.25
22	011601670		138621	11/9/2021	NOV'21 ALARM SVC/MVD	39.25
22	011701710		138621	11/9/2021	NOV'21 ALARM SVC/CHAL	39.25
22	011701720		138621	11/9/2021	NOV'21 ALARM SVC/YARD	39.25
						\$314.00
22	011001040	PRINT XPRESSIONS	138622	11/9/2021	DOMESTIC VIOLEN SHIRT	955.67
						\$955.67
22	448008010	REGIONAL TAP SERVICE CENTER	138623	11/9/2021	SEP'21 EZ/METRO PASS	96.00
						\$96.00
22	011401410	RUBY YEPEZ	138641	11/9/2021	OCT'21 PC MEETING	150.00
						\$150.00
22	011511541	SAUL GUARDADO	138608	11/9/2021	10/27 BBALL OFFICIAL	120.00
						\$120.00
22	011301310	SECTAN SECURITY INC.	138626	11/9/2021	OCT'21 ARMORED SVCS	146.30
						\$146.30
22	011601650	SMARDAN SUPPLY	138627	11/9/2021	FLOW SWITCH/NTP	190.39
						\$190.39
22	021701760	SOUTHEAST CONSTRUCTION PRODUCT	138578	11/9/2021	BIKE LANE DRAIN BOX	50.72
22	011701720		138628	11/9/2021	SAFETY LEATHER GLOVES	14.00
						\$64.72
22	689009000	SPRINT	138629	11/9/2021	9/12-10/11GPS TRK#414	154.28
22	448008015		138629	11/9/2021	9/12-10/11GPS TRK#414	51.43
22	011301330		138629	11/9/2021	9/12-10/11 GPS TRACK	392.98
						\$598.69
22	011401100	SUPERIOR COURT OF CA, COUNTY OF L.	138630	11/9/2021	SEP'21 CITATION PROCS	4,526.50
						\$4,526.50
22	363603600	SUPERIOR WAREHOUSE GROCERS	138643	11/9/2021	HOMELESS PRGM DIAPERS	14.99
						\$14.99
22	011601640	THE ILLINI COMPANIES, INC	138594	11/9/2021	10/12 CHEMICAL DELIVR	94.28
22	011601640		138594	11/9/2021	10/12 CHEMICAL DELIVR	174.88
22	011601640		138594	11/9/2021	10/26 CHEMICAL DELIVR	217.81
22	011601640		138594	11/9/2021	10/26 CHEMICAL DELIVR	233.17
22	011601640		138594	11/9/2021	10/19 CHEMICAL DELIVR	233.17
						\$953.31
22	011001040	THE SAUCE CREATIVE SERVICES CORP.	138631	11/9/2021	NOV'21 NEWSLETTER	4,812.24

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22	011001040	THE SAUCE CREATIVE SERVICES CORP.	138631	11/9/2021	SB1383 TRSH LAW FLYER	225.00
22	011001040		138631	11/9/2021	ATHENS TRASH FLYER	225.00
						\$5,262.24
22	011701710	TIME WARNER CABLE	138632	11/9/2021	10/16-11/15 CABLE SVC	276.98
						\$276.98
22	011701105	TRANSTECH ENGINEERING, INC.	138634	11/9/2021	JUL'21 RUSH ST PJT MGM	1,187.50
22	389009000		138634	11/9/2021	JUL'21 PJT MGMT #294	1,480.00
22	079009000		138634	11/9/2021	JUL'21 CDBG CONST#253	12,600.00
22	011701105		138634	11/9/2021	JUL'21 PLAN CHECK SVC	15,311.80
22	011701105		138634	11/9/2021	JUL'21 ENGINEER SVCS	17,923.25
22	011401430		138634	11/9/2021	JUL'21 ENGINEER REVIEW	675.00
22	389009000		138634	11/9/2021	JUL'21 CONST MGMT #294	960.00
22	011701105		138634	11/9/2021	JUL'21 ATP PJT MGMT	125.00
22	011701105		138634	11/9/2021	JUL'21 CONSTRUCT MGMT	200.00
						\$50,462.55
22	011301330	TYLER TECHNOLOGIES, INC.	138635	11/9/2021	10/1 INCODE PM CONFIG	1,040.00
22	011301330		138635	11/9/2021	AP/GL CONVERSION	2,250.00
22	011301330		138635	11/9/2021	9/23-9/27 INCODE CONF	4,550.00
						\$7,840.00
22	021701760	VULCAN MATERIALS COMPANY	138579	11/9/2021	STREET ASPHALT	355.36
						\$355.36
22	011601610	WATERLOGIC AMERICAS, LLC	138637	11/9/2021	8/30-9/29 WATER SVCS	38.59
						\$38.59
22	011701740	WAXIE SANITARY SUPPLY	138638	11/9/2021	JANITORIAL SUPPLIES	5,451.23
						\$5,451.23
22	021701760	WEST COAST ARBORISTS, INC	138580	11/9/2021	10/1-10/15 TREE TRIM	10,912.00
						\$10,912.00
22	021701760	WHITTIER FERTILIZER	138581	11/9/2021	MULCH/SANTA MEDIANS	154.35
22	021701760		138581	11/9/2021	MULCH/DURFEE MEDIANS	238.14
22	021701760		138581	11/9/2021	MULCH/DURFEE MEDIANS	396.90
22	021701760		138581	11/9/2021	MULCH/SANTA MEDIANS	432.18
22	021701760		138581	11/9/2021	MULCH/DURFEE MEDIANS	476.28
22	021701760		138581	11/9/2021	MULCH/SANTA MEDIANS	555.66
						\$2,253.51
22	011701760	WINZER	138639	11/9/2021	GRAFFITI REMOVER	826.04
						\$826.04
22	011301330	XEROX FINANCIAL SERVICES LLC	138640	11/9/2021	OCT'21 COPIER LEASE	1,547.99
						\$1,547.99
22	021701760	ZUMAR	138582	11/9/2021	(2)SOLAR STOP SIGNS	2,497.30
						\$2,497.30

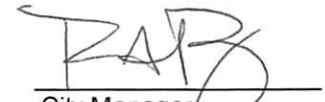
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Report Total **667,445.94**



City Manager



City Council Agenda Report

Agenda Item No. 7.c.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: William Fox, Interim Finance Director

SUBJECT: CONSIDERATION AND APPROVAL TO SOLICIT REQUEST FOR PROPOSALS (RFP) FOR AUDITING SERVICES

SUMMARY: City Council is requested to approve the RFP for financial auditing services and to solicit proposals from qualified auditing firms.

RECOMMENDED ACTION: Staff recommends City Council approve the RFP for auditing services and authorize the City to solicit proposals for auditing services.

FISCAL IMPACT: There is no fiscal impact on soliciting for qualified auditing firms to replace the outgoing auditing firm. The City currently has budgeted \$42,000 for the performance of the Fiscal Year 2020-21 annual audit. Any amount in excess of this cost will need to be programmed.

DISCUSSION: On April 28, 2020, City Council adopted Resolution No. 20-41, approving a three-year contract with CWDL for financial auditing services. The fees for service for the three-year contract were \$115,455, equating to \$38,485 per year. The three years to be audited were fiscal years 2018-19, 2019-20, and 2020-21. The agreement contains a thirty-day written notice by either party, which was exercised by the City on October 26, 2021. The three-year agreement was in line with the recommended best practice for an auditor rotation policy of every three to five years.

For the first year of the agreement, the fiscal year 2018-19 audit report was completed on December 8, 2020. The City was concerned over the lateness in completing the audit. CWDL also did not prepare the required State Controller's Report and Appropriation Limit Calculation as required per Exhibit C of the agreement. Instead, City staff performed these requirements to ensure that filing deadlines were met. During fiscal year 2018-19, the Single Audit for reporting federally funded grants was not required because the \$750,000 reporting requirement was not reached. CWDL did not offer to adjust their annual audit fee as a result of less work being required.

The second year of the audit engagement, covering fiscal year 2019-20, was completed

on October 1, 2021. The lateness of the completion was a concern for City staff..For this reporting period, the Single Audit for Federal grant funds was now required since the \$750,000 reporting level was reached. For a second year in a row, the State Controller's Report and the Appropriation Limit Calculation per Exhibit C of the agreement was not completed by CWDL. The Finance staff completed these two requirements, to stay in compliance with filing due dates. The Finance staff prepared the City's fiscal year 2019-20 financial statements, management discussion and analysis, footnotes, and required supplementary information on December 28, 2020 to comply with various Federal, State, and County reporting requirements. CWDL then issued the City's fiscal year 2019-20 financial statements, management discussion & analysis, notes, and required supplemental information on June 11, 2021, and later completed the Single Audit on October 1, 2021.

Due to the lateness in the issuance of CWDL's audit opinions posing a potential risk to the City's financial outlook, they were given the contractually required thirty day written notice of termination letter. The Finance staff, with the City Manager's approval, ended the three-year agreement and are now seeking to issue the RFP for Auditing Services.

Upon approval of the RFP, it will be posted on the City's website. Finance staff will also contact qualified CPA firms and solicit them to submit proposals.

ATTACHMENT(S):

A. RFP - Professional Auditing Services

Request For Proposals

To Provide Auditing Services for the City of South El Monte



RFP Release Date: November 10, 2021

RFP Response Due: 4:00 p.m. December 1, 2021

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I. General Information

Community Profile

Incorporated in 1958, the City of South El Monte is an industrial community of approximately 21,000 residents, encompassing 2.3 square miles. The City is located approximately 13 miles east of downtown Los Angeles and is adjacent to two major freeways and a major State Route in the San Gabriel Valley.

South El Monte offers a good blend of older and younger residents working in the same dedication and community spirit that the city was founded upon. Both residents and the City's business community are working together to make the City a better place to live and work.

After almost six decades, the City of South El Monte has matured into a viable commercial and industrial base, with over 2,400 businesses within its 2.3 square miles. The City is currently focusing on improving the environment of the community and making it a better place to live and work.

II. Purpose & Description Management Support Services

The City of South El Monte consists of a five-member elected City Council (with elected Mayor) and an appointed City Manager. There are seven departments: Administration, City Clerk (appointed by Council), City Attorney (appointed by Council), Community Development, Community Services, Public Works and Finance. The Management Team consists of the following:

City Manager – Rachel

Barbosa City Clerk – Donna

Schwartz

City Attorney – Anthony R. Taylor (employed by law firm of Aleshire & Wynder, LLP)

Community Development/Public Works Director – Colby Cataldi

Community Services Director/Deputy City Manager – Rene Salas

Interim Finance Director – William Fox

The assets and liabilities of the South El Monte Business Improvement City were transferred to the Successor Agency to the South El Monte Business Improvement City on February 1, 2012 as a result of the dissolution of the former redevelopment agency's under AB x1 26 as amended. The City is acting in a fiduciary capacity for the assets and liabilities.

In terms of the City's fund structure, the City maintains approximately 30 individual governmental funds. There are no proprietary funds. The City maintains one private-purpose trust fund to account for the Successor Agency.

The City's Financial Statements are available on the City's website.

It is management's goal to prepare a Comprehensive Annual Financial Report to the extent possible. As part of the firm's response to this RFP, it is strongly suggested that consideration be given to how this goal can be accomplished by management in the near term.

Budget

The annual budget is adopted by City Council by June 30 of each fiscal year and include proposed expenditures and the means of financing them for all active funds. The annual budget provides for the general operations of the City and, as appropriate, its near-term and long-term goals and objectives. To the best of the City's abilities, recurring revenues are applied towards recurring expenditures and non-recurring revenues are applied towards non-recurring expenditures. Budget amendments must be approved by City Council and actual expenditures must not exceed appropriation at the fund level. The City Manager is authorized to make budget allocation within funds but City Council must approve all budget amendment at the fund level.

The City's Budget Books are available on the City's website.

The FY2021-22 City-wide adopted budget is \$25,453,086 with a surplus of \$3,777,733 as summarized below:

Fund Group	Revenues	Expenditures	City-Wide Net
General Fund	\$ 17,851,362	\$ 17,851,362	\$ 0
Special Revenue Funds	11,379,457	7,601,721	3,777,733
Total	\$ 29,230,819	\$ 25,453,086	\$ 3,777,733

III. Scope of Services

The selected firm shall conduct independent audits of Financial Statements and Schedule of Expenditures of Federal Awards both prepared by management as required under GAAS and GAGAS.

The selected firm shall also format and print the Audited Financial Statements for the City. The City typically requires 40 copies of each report and an electronic copy. The quantity may be increased or decreased depending on actual need.

The selected firm shall meet with the Finance Director and City Manager annually and provide Management Letters of recommendations for those charged with governance. Management Letters shall describe suggested improvements in internal control, accounting procedures, and other significant observations or reportable conditions.

The selected firm shall make itself available to the City throughout the engagement as an information resource for:

- Financial statements preparation and disclosures;
- Interpreting and understanding GASB pronouncements;
- New developments, trends, and changing requirements pertaining to auditing and accounting standards;
- Interpretations of federal and state rules and regulations; and
- Impact of new or existing tax laws.

As appropriate, the selected firm shall assist the City to meet all the eligibility requirements of the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. It is management's goal and desire to eventually prepare a Comprehensive Annual Financial Report of the City. As part of the selected firm's response to this RFP, it is strongly suggested that consideration be given to how this goal can be achieved by management in the near term.

As requested by the City, the selected firm shall be available to present the audit plan prior to beginning field work and to present all final reports to the Finance Director, City Manager, and City Council.

Additional on-going annual auditing services needed due to regulation changes or future voter approved measures shall be quoted separately and added to the contract as amendments.

Responsibilities of Selected Firm

During audits, the selected firm shall promptly report to the Finance Director and City Manager regarding any conditions, transactions, situations, or circumstances encountered which would impede or impair the proper conduct of the audit, or which would seem to warrant a special investigation or report in more detail than that which is necessary to perform the standard audit. The selected firm shall take all steps necessary to safeguard any data, files, reports or information from loss, destruction, or erasure. Any costs or expenses of replacing, or damages resulting from the loss of such data, shall be borne by the auditor.

The selected firm shall maintain adequate staff to perform as required by the agreement resulting from this solicitation.

Responsibilities of City

The preparation of the Financial Statements is the responsibility of the City. However, the City will rely on the selected firm to produce the reports using their own technical resources. At such time that the City and selected firm can jointly produce a CAFR, it shall be the responsibility of the City to provide the management's discussion and analysis and all required supplementary information and statistical data.

Auditing Standards

Financial auditing shall be performed in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
2. The standards applicable to financial audits contained in Government Auditing Standards (current edition), issued by the Comptroller General of the United States;

3. The provisions of the Single Audit Act;
4. When applicable, provisions of other laws or regulations required to be followed by the federal government, State of California, or County of Los Angeles.

The foregoing standards ensure that the audit will be planned and performed to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit shall also include assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

Auditing Schedule

The City shall typically close the prior fiscal year's books by September 30th of each year. An interim on-site visit shall occur for one week during June of each year; and the financial audit engagement shall be scheduled no later than October 1st of each year, unless a mutual agreement is reached between the City and the selected firm on a later audit start date. It is understood that the actual audit schedule will be negotiated annually to adjust for mutual staff availability. An exit interview shall be conducted at the end of the final on-site audit. Auditing reports and Management Letter(s) shall be provided to the City no later than three weeks following the exit interview. The selected firm shall complete and deliver the City's Financial Statements to the City by no later than December 15th of each year.

Record Retention

All working papers and reports shall be retained, at the selected firm's expense, for a minimum of three years (or the retention timeframe established by the professional standards, whichever is longer), unless the firm is notified in writing by the City of South El Monte of the need to extend the retention period.

Record Access

Working papers and reports shall be made available upon request of the City, any federal or state agency, and other individuals designated by the City. The selected firm shall also respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers.

IV. INFORMATION TO BE INCLUDED IN THE QUALIFICATIONS SUBMITTAL

PROPOSAL OUTLINE TO BE SUBMITTED

The proposal shall be organized and submitted with the following elements:

- **Cover page**
- **Table of Contents**
- **Executive Summary**

Provide a brief summary describing the proposer's ability to perform the work requested, a history of the proposer's background and experience providing services, the qualifications of the proposer's personnel to be assigned to City, any subcontractor, sub consultants, and/or suppliers and a brief history of their background and experience, and any other information called for by this request for proposal which the proposer deems relevant, including restating any exceptions to this request for proposal. This summary should be brief and concise to apprise the reader of the basic services offered, experience and qualifications of the proposer, staff, subcontractors, and/or suppliers.

- **Questionnaire/Response to Scope of Services**

Proposer shall provide responses and information to fully satisfy each item in the Questionnaire (see section V below). Each question item should be presented before the proposer's response.

- **Attachments**

Questionnaire

A. Company and General Information

- Company name and address.
- Letter of transmittal signed by an individual authorized to bind the respondent, stating that the respondent has read and will comply with all terms and conditions of the RFP.
- General information about the primary contact that would be able to answer questions about the proposal. Include name, title, telephone number and email address of the individual.
- Appendix A, Certification of Proposal to City
- Appendix B, Sample Professional Services Agreement

- Appendix C, Scope of Services

B. Qualifications and Experience of the Firm

- Firm’s history and organizational structure, including the size of the firm, location of offices, years in business, organizational chart, name(s) of owner(s) and principal parties, and number and position titles of staff.
- The primary business of the parent company and/or affiliates.
- Office(s) of your organization with primary responsibility for managing the audit.
- Firm’s experience providing auditing and accounting services, including the cities for which you have provided these services in the last five years.
- Other areas that may make the firm different from competitors.

C. Qualifications and Experience of Proposed Staff

- The qualifications of staff proposed for the assignment, position(s) in the firm, and types and amount of equivalent experience, including any municipal agencies with which they have worked in the past three years and their level of involvement. The resume(s) of the personnel who will be assigned to this project.

Fees

Please provide three copies in a separate envelope marked “Fees.”

Fees for the proposed service, which should be detailed by service and include financial audit and single audit for each of the three fiscal years—2020-21, 2021-22 and 2022-23.

- Outline billing and payment expectations, including timing and method of payment.
- Any additional fees not already detailed above.
- A specific “not to exceed” fixed fee including associated fees (i.e., printing costs, attendance at meetings, travel).

References

Provide a list of the municipal agencies for which the respondent has conducted any type of auditing services within the past three years.

The Consultant should provide a list of at least three municipal agencies.

V. QUESTIONS

Questions with regard to this RFP should be submitted by e-mail to William Fox, Interim Finance Director, at **wfox@soelmonte.org** by 4:00 P.M. PDT on December 1, 2021. All firms sending questions will receive responses to all questions and any other addenda that may be released via e-mail by November 24, 2021.

VI. GENERAL INFORMATION

The Consultant is expected to establish and maintain a working relationship with City Staff throughout the duration of the agreement. The City shall not pay any cost incurred in the preparation of a response to this Request for Proposal.

VII. INSURANCE REQUIREMENTS

The City will require the successful Consultant to acquire and maintain workers' compensation, employer's liability, commercial general liability, owned and non-owned and hired automobile liability, and professional liability insurance (errors & omissions) coverage relating to Consultant's services to be performed covering the City's risks in a form subject to the approval of the City Attorney and/or City's insurance advisor. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event shall be as follows:

<u>Insurance Category</u>	<u>Minimum Limits</u>
Workers' Compensation	statutory minimum
Employer's Liability	\$2,000,000 per accident for bodily injury or disease
Commercial General Liability	\$2,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage
Automobile Liability	\$2,000,000 per accident for bodily injury and property damage (coverage required to the extent applicable to Consultant's vehicle usage in performing services hereunder)
Professional Liability (Errors & Omissions Liability)	\$2,000,000 per claim and

Any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the City as an Additional Insured. Furthermore, the requirements for coverage and limits shall be the greater of either (1) the minimum coverage and limits or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured.

The Consultant shall agree to include with all subcontractors in their subcontracts the same requirements and provisions including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City and its accompanying documents. Subcontractors shall further agree to include these same provisions with any sub-subcontractors.

The Consultant shall furnish the City with certificates and copies of information or declaration pages of the insurance required and with respect to evidence of commercial general liability and automobile liability insurance coverage, original endorsements:

- (a) Precluding cancellation or **reduction in per occurrence limits** before the expiration of 30 days (ten days for nonpayment) after City shall have received written notification of cancellation in coverage or **reduction in per occurrence limits** by first class mail;
- (b) Naming the City of South El Monte its Council, officers, boards, commissions, employees, and agents, as additional insureds; and
- (c) Providing that Consultant's insurance coverage shall be primary insurance with respect to City and, its Council, officers, boards, commissions, employees, and agents, and any insurance or self-insurance maintained by City for itself, its Council, officers, boards, commissions, employees, or agents shall be in excess of Consultant's insurance and not contributory with it. Consultant and its insurer may not seek contribution from City's insurance or self-insurance.

The limits of insurance required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's insurance or self-insurance may be called upon to protect City as a named Insured.

All self-insured retentions (SIR) must be disclosed to City for approval and shall not reduce the limits of liability coverage. Policies containing an SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Consultant/Named Insured or City.

The City reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Any and all Subcontractors shall agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City. Subcontractors shall further agree to include the same requirements and provisions, including the indemnity and insurance requirements, in any agreement with sub-subcontractors to the extent that they apply to the scope of the sub-subcontractor's work. A copy of the indemnity and insurance provisions shall be furnished to any subcontractor upon request.

The Consultant shall maintain insurance to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following completion of this project or service. In the event the Consultant fails to obtain or maintain completed operations coverage as required by the City at its sole discretion may purchase the coverage required and the cost will be paid by Consultant.

VIII. PROPOSAL REVIEW

The City's designated staff will evaluate proposals received. During the review process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarification from those that submit proposals or allow corrections of errors or omissions. Any and all changes in the RFP will be made by written addendum, which shall be issued by the City to all proposers who have responded to the RFP by the deadline.

The City reserves the right to retain all proposals submitted. Submission of a proposal indicates the firm's acceptance of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the consultant selected.

The preparation of the RFP will be at the total expense of the Proposer. There is no expressed or implied obligation for the City to reimburse responding proposers for any expense incurred in the preparation of proposals in response to this RFP. All proposals submitted to the City shall become properties of the City and will not be returned.

The City reserves the right to reject any or all proposals, in whole or part, to waive any informality in any proposal, and to accept the proposal which, in its discretion, is in the best interest of the City.

To be considered, proposers must provide **five bound copies, one unbound copy, and a single Microsoft Excel and PDF file** of the Proposal for Auditing Services that can be made available to City staff. The materials should be contained in a sealed envelope with the name of the company submitting the proposal, and the title of "Auditing Services." The materials should be delivered no later than 4:00 P.M. PDT on December 1, 2021 to:

City of South El Monte
Attention: Donna Schwartz,
City Clerk
1415 N. Santa Anita Ave.
South El Monte, CA 91733

RFP Schedule

The City reserves the right to make changes to the below schedule, but the current schedule for the implementation of this bid process is as follows:

Request for Proposal Release	November 10, 2021
Question Submittal Deadline	November 17, 2021
City Response to Questions	November 24, 2021
Submittal Deadline (Date proposals must be received by City)	December 1, 2021
Finalists Selected	December 8, 2021
Presentations/ Interview	Week of December 13 th
Consultant Selection/Contract approved by City Council	January 11, 2022

Evaluation of Proposals

A team comprised of City staff, will be responsible for the bid evaluations. This team, in accordance with the criteria listed below, will evaluate all proposals received as specified. The City team members, in applying the major criteria to the proposals, may consider additional criteria beyond those listed. During the evaluation period, the team may elect to interview some or all the proposing firms. The interview will include City staff and the Councilmembers servicing on the Finance Sub-Committee.

The final selection will be the firm which, in the City's opinion, is the most responsive and responsible, meets the City's requirements in providing this service, and is in the City's best interest. The City maintains the sole and exclusive right to evaluate the merits of the proposals received.

Consultants will be objectively evaluated based on their responses to the scope outlined in the RFP. The written proposal should clearly demonstrate how the firm could best satisfy the requirements of City.

Proposals will be evaluated based on the following criteria:

- Thoroughness and understanding of the tasks to be completed.
- Background and experience in organizational analysis evaluation.
- Staff expertise and overall experience of personnel assigned to the work.
- Time required to accomplish the requested services.
- Responsiveness to requirements.
- Recent public sector experience, preferably in a municipal setting, conducting similar studies.
- Costs.

Although price for the services will be an important part of the consideration for award the City will consider the consultant's qualifications, expertise and level of professional service and advice in the award of the auditing contract.

IX. CONSULTANT AGREEMENT

A sample of the City's Professional Services Agreement is provided in this RFP as **Attachment B**. Your proposal shall contain a statement of the firm's willingness to execute the contract with an indication of any changes to the contractual requirements.

END OF RFP

APPENDIX A

CERTIFICATION OF PROPOSAL TO THE CITY

1. The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to the City in accordance with the Request for Proposals (RFP), dated November 10, 2021 and to be bound by the terms and conditions of the RFP.
2. This firm has carefully reviewed its proposal and understands and agrees that the City is not responsible for any errors or omissions on the part of the firm and that the firm is responsible for them.
3. It is understood and agreed that the City reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by the City.
4. The proposal includes all the commentary, figures and data required by the Requests for Proposal dated November 10, 2021.
5. This firm has carefully read and fully understands all the items contained in Request for Proposal for Auditing Services.
6. The proposal by this firm is an irrevocable offer; it shall be valid for 90 days from December 1, 2021 unless both parties mutually agree to extend date.

Name of firm: _____

By: _____
(Authorized Signature)

Type Name: _____

Title: _____

Date: _____

APPENDIX B

SAMPLE OF PROFESSIONAL SERVICES AGREEMENT

CONTRACT SERVICES AGREEMENT

By and Between

CITY OF SOUTH EL MONTE

and

**AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF SOUTH EL MONTE AND**

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this ____ day of _____, 2021 by and between the CITY OF SOUTH EL MONTE, a California, a municipal corporation (“City”) and _____, _____ (“Consultant”). City and Consultant may be referred to, individually or collectively, as “Party” or “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of South El Monte Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest

professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant’s Proposal.

The Scope of Services shall include the Consultant’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other Consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed _____ Dollars (\$_____) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.9.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding _____ years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D"). [The City may, in its sole discretion, extend the Term for ____ additional one-year terms.]

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

(Name)

(Title)

(Name)

(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be [_____ or] such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or

control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant. Consultant represents and warrants that the personnel used to provide services to the City pursuant to this Agreement are classified by Consultant as employees and that Consultant issues or will issue a W-2 to such personnel.

In the event that Consultant or any employee, agent, subcontractor, or independent contractor of Consultant providing services under this Agreement claims or is determined by a federal or state agency, a court of competent jurisdiction, or the California Public Employees' Retirement System ("CalPERS") to be classified as other than an independent contractor for the City, then Consultant shall indemnify, defend, and hold harmless the City for the payment of any and all assessed fines, penalties, judgments, employee and/or employer contributions, and any other damages and costs assessed to the City as a consequence of, or in any way attributable to, the assertion that Consultant or any of Consultant's personnel used to provide the Services under this Agreement are other than independent contractors of the City.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

Without limiting Consultant's indemnification of City, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

(a) General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in

an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.

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

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

(d) Workers’ compensation insurance. Consultant shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

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

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

(c) Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be

endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

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

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

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

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

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

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

(j) Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall

be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

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

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

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

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

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

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

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in

connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable (“indemnitors”), or arising from Consultant’s or indemnitors’ reckless or willful misconduct, or arising from Consultant’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

- (a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys’ fees incurred in connection therewith;
- (b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;
- (c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys’ fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination or expiration of this Agreement.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant’s business, custody of the books and records may be given to City, and access shall be provided by Consultant’s successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”) prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as

“works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

(d) 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 there under. City retains the right, 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, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable

costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement,

and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of South El Monte, 6330 Pine Avenue, South El Monte, California 90201 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

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

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder

unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF SOUTH EL MONTE, a municipal corporation

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Anthony R. Taylor, City Attorney

CONSULTANT:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address: _____

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

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 _____, 2021 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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.

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL	
☐ CORPORATE OFFICER	
TITLE(S) ☐ PARTNER(S) ☐ LIMITED ☐ GENERAL ☐ ATTORNEY-IN-FACT ☐ TRUSTEE(S) ☐ GUARDIAN/CONSERVATOR ☐ OTHER _____	

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

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On _____, 2021 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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.

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL	
☐ CORPORATE OFFICER	
_____ TITLE(S)	_____ TITLE OR TYPE OF DOCUMENT
☐ PARTNER(S) ☐ LIMITED	
☐ GENERAL	
☐ ATTORNEY-IN-FACT	
☐ TRUSTEE(S)	_____ NUMBER OF PAGES
☐ GUARDIAN/CONSERVATOR	
☐ OTHER _____	
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____ _____	_____ DATE OF DOCUMENT _____ SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”

SCOPE OF SERVICES

- I.** Consultant will perform the following Services:
 - A.
 - B.
 - C.
- II.** As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:
 - A.
 - B.
 - C.
- III.** In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City appraised of the status of performance by delivering the following status reports:
 - A.
 - B.
 - C.
- IV.** All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.
- V.** Consultant will utilize the following personnel to accomplish the Services:
 - A.
 - B.
 - C.

EXHIBIT “B”

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

		RATE	TIME	SUB-BUDGET
A.	_____	_____	_____	_____
B.	_____	_____	_____	_____
C.	_____	_____	_____	_____
D.	_____	_____	_____	_____

II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.

III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.9.

IV. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all materials and equipment properly charged to the Services.
- C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

V. The total compensation for the Services shall not exceed the Contract Sum as provided in Section 2.1 of this Agreement.

VI. The Consultant's billing rates for all personnel are attached as Exhibit C-1.

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services timely in accordance with the following schedule:

		<u>Days to Perform</u>	<u>Deadline Date</u>
A.	Task A	_____	_____
B.	Task B	_____	_____
C.	Task C	_____	_____

- II. Consultant shall deliver the following tangible work products to the City by the following dates.

A.

B.

C.

- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.



City Council Agenda Report

Agenda Item No. 7.d.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Anthony R. Taylor, City Attorney

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-72, PROCLAIMING A LOCAL EMERGENCY PERSISTS AND AUTHORIZING THE USE OF REMOTE TELECONFERENCE MEETING PROCEDURES BY THE CITY'S LEGISLATIVE BODIES AS AUTHORIZED BY GOVERNMENT CODE SECTION 54953(E) ET SEQ. FOR THE PERIOD OF NOVEMBER 9, 2021 THROUGH DECEMBER 9, 2021

SUMMARY: On September 16, 2021, Governor Newsom signed AB 361 into law. AB 361 was made effective October 1, 2021. Pursuant to AB 361, staff recommends consideration of Resolution No. 21-72, proclaiming a local emergency persists and authorizing the use of remote meeting procedures by the City's legislative bodies, which can include meetings held via a virtual platform (e.g. Zoom), for the period of November 9, 2021 through December 9, 2021.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-72, proclaiming a local emergency persists and authorizing the use of alternative meeting procedures by the City's legislative bodies, such as utilizing a virtual platform (e.g. Zoom) for the period of November 9, 2021 through December 9, 2021.

FISCAL IMPACT: None.

DISCUSSION: In March of 2020, at the onset of the COVID-19 pandemic, Governor Newsom proclaimed a State of Emergency in California, and issued Executive Order N-25-20 to facilitate the ability of legislative bodies to meet using remote/virtual platforms to comply with health orders. Since that time, several other Executive Orders have issued that further modified the requirements related to the conduct of teleconferenced meetings and the right of public participation therein during the state of emergency. The Executive Orders collectively operated to remove certain requirements for teleconferenced meetings, including that each teleconference location be accessible to the public, and that members of the public be able to address the legislative body at each teleconference location.

The Executive Orders allowed the City Council and each of the City's legislative bodies, commissions, and committees subject to the Brown Act to modify how meetings were conducted to protect the health and safety of the legislative bodies, staff, and the public, while ensuring the transparency and accessibility for open and public meetings. However, those executive orders expired on October 1, 2021.

On September 16, 2021, Governor Newsom signed AB 361 into law. AB 361 was made effective October 1, 2021, to correspond to the timing of expiration of the executive orders.

AB 361 allows legislative bodies to continue to utilize remote/virtual platforms for meetings during a state of emergency proclaimed by the Governor that includes the City, provided that one of the following three criteria is met with respect to the meeting:

- i) State or local officials have imposed or recommended measures to promote social distancing; or
- ii) The legislative body is meeting for the purpose of determining, by majority vote, whether as a result of the state of emergency, meeting in person would present imminent risks to the health or safety of attendees; or
- iii) The legislative has previously determined, by majority vote, that, as a result of the state of emergency, meeting in person would present imminent risks to the health or safety of attendees.

Initial Findings

The proclaimed statewide declaration of emergency related to COVID-19 remains in effect. Accordingly, if just one of the three foregoing criteria are met, then the City can conduct meetings remotely pursuant to Government Code § 54953(e) as amended by AB 361, subject to compliance with certain alternative noticing and public participation requirements as detailed below, and in doing so are excused from compliance with the onerous requirements referenced above that would otherwise apply to remote teleconferenced meetings under Government Code § 54953(b)(3). At its meeting on October 26, 2021, the City Council made these findings and adopted a resolution effective for the period of October 26, 2021 through November 25, 2021.

Findings For Continued Reliance on AB 361 (Future Meetings)

After 30 days following the initial invocation of AB 361, continued reliance on AB 361 for subsequent meetings requires the following:

1. Either the "state of emergency" must remain active or state or local officials have imposed or recommended measures to promote social distancing; and
2. No later than 30 days after teleconferencing for the first time under AB 361 rules, and every 30 days thereafter, the legislative body, by majority vote, finds that it has reconsidered the circumstances of the state of emergency and at least one of the following circumstances exist:
 1. The state of emergency continues to impact the ability of the members to meet safely in person; or
 2. State or local officials continue to impose recommended measures to promote social distancing.

Rules For Public Participation Under AB 361

If a public agency invokes AB 361, the alternative notice and participation requirements for teleconferenced meetings are as follows:

1. No physical location is required for public attendance or public comment. However, the public must be able to access and participate in the meeting through a call-in or an internet-based service, and instructions for how to participate must appear in the posted notices or agenda;
2. Teleconferenced meetings must protect the statutory and constitutional rights of the parties and the public;
3. Legislative bodies may allow public comments to be submitted prior to a meeting, but must also allow the public to participate in real time through call-in or internet-based service. A legislative body cannot require public comments be submitted in advance of the meeting;
4. If there is any disruption of the call-in or internet-based service, the legislative body must suspend the meeting and take no further action until the problem is fixed;
5. When providing a public comment period, whether after each item or during a general comment period, a legislative body must allow reasonable time for members of the public to comment, and must also include reasonable time for members to register with the third-party internet website or online platform (e.g, Zoom), if applicable.

These provisions of AB 361 are effective until January 1, 2024. This means these provisions may be invoked any time there is a proclaimed state of emergency by the Governor (e.g., wildfires) and the City Council can make at least one of the enumerated findings.

In light of the continuing COVID-19 emergency, and the continued threats to health and safety posed by indoor meetings with large attendance, staff recommends adoption of the proposed resolution making the findings required to initially invoke AB 361. Doing so will allow the meetings of the City Council and each of the City's legislative bodies to continue to occur by teleconference, without adhering to the teleconferencing requirements set out in Government Code Section 54953(b)(3) that would otherwise apply absent invocation of AB 361.

Continued reliance on AB 361 will require adoption of a new resolution making the required findings every 30 days.

ATTACHMENT(S):

- A. Resolution No. 21-72

RESOLUTION NO. 21-72

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE PROCLAIMING A LOCAL EMERGENCY PERSISTS AND RE-AUTHORIZING THE USE OF REMOTE TELECONFERENCE MEETING PROCEDURES BY THE LEGISLATIVE BODIES OF THE CITY FOR THE PERIOD FROM NOVEMBER 9, 2021 TO DECEMBER 9, 2021, AS AUTHORIZED BY GOVERNMENT CODE SECTION 54953(E) *ET SEQ.*

WHEREAS, the City of South El Monte is committed to preserving and nurturing public access, transparency, observation and participation in meetings of the City Council and each of its legislative bodies; and

WHEREAS, all meetings of the City's legislative bodies are open and public, as required by the Ralph M. Brown Act, codified in Government Code sections 54950 *et seq.*, so that any member of the public may attend, participate, and observe the City's legislative bodies conduct their business; and

WHEREAS, the Brown Act, as amended by Assembly Bill 361 (2021), codified in Government Code sections 54953(e) *et seq.*, allows for remote teleconferencing observation and participation in meetings by members of a legislative body and members of the public, without compliance with the requirements of Government Code section 54953(b)(3) regarding teleconferencing, subject to the existence of certain conditions; and

WHEREAS, the initial required condition is that a state of emergency is a declaration of a state of emergency by the Governor pursuant to the California Emergency Services Act at Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state and within the boundaries of the City, caused by conditions as described in Government Code section 8558; and

WHEREAS, on March 4, 2020, pursuant to Government Code Section 8625, Governor Newsom declared the existence of a state of emergency for the State of California, which includes area within the jurisdictional boundaries of the City, in response to the outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19); and

WHEREAS, on March 16, 2020, the City's Director of Emergency Services declared a local emergency for the City pursuant to Chapter 2.32 of the South El Monte Municipal Code, finding that conditions of extreme peril to the safety of persons and property have arisen within the City as a result of the COVID-19 virus and that these conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, on March 17, 2020, the Council adopted Resolution No. 2020-40, ratified the Director of Emergency Services' declaration of local emergency; and

WHEREAS, Government Code section 54953(e) *et seq.* further requires that state or local officials have imposed or recommended measures to promote social distancing; or, the legislative body of the City finds that meeting in person would present imminent risk to the health and safety of attendees; and

WHEREAS, the Council previously adopted Resolution No.21-69 on October 26, 2021, finding that the requisite conditions exist for the legislative bodies of the City to conduct remote teleconference meetings without compliance with Government Code section 54953(b)(3), as authorized by Government Code section 54953(e) *et seq.*; and

WHEREAS, as a condition of extending the use of the remote teleconference meeting procedures provided in Government Code section 54953(e), the Council must reconsider the circumstances of the state of emergency, and as of the date of this Resolution, the Council has done so; and

WHEREAS, a state of emergency persists, as initially identified and described by the Governor in the proclamation of the existence of a state of emergency for the State of California in response to the outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19) issued on March 4, 2020 pursuant to Government Code Section 8625; and

WHEREAS, the Council hereby finds that the emergency conditions persist in the City, such that meeting in person for the meetings of the City's legislative bodies would present imminent risk to the health and safety of attendees as a result of the increased risk of the spread of the COVID-19 virus among those in attendance the State of California and County of Los Angeles Department of Public Health officials have imposed or recommended measures to promote social distancing in connection with the COVID-19 emergency; and

WHEREAS, the Council hereby finds that the state of emergency due to the COVID-19 virus and the conditions related thereto has caused, and will continue to cause, conditions of extreme peril to the safety of persons within the City that are likely to be beyond the control of services, personnel, equipment, and facilities of the City, and thereby reaffirms, reauthorizes, and continues the existence of a local emergency and re-ratifies the proclamation of state of emergency by the Governor of the State of California and

WHEREAS, the Council hereby finds that, as a consequence of the local emergency persisting, the Council does hereby find that the legislative bodies of the City shall conduct their meetings without compliance with Government Code section 54953(b)(3), and shall instead comply with the remote teleconference meeting requirements as authorized by Government Code section 54953(e) *et seq.*; and

WHEREAS, the Council affirms that it will allow for observation and participation by Councilmembers and the public via participation and comment in real time via Zoom or by telephone, as well as allowing limited in-person attendance for certain legislative bodies of the City in an effort to protect the constitutional and statutory rights of all attendees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE FINDS, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Council hereby reconsiders the conditions of the state of emergency as proclaimed by the Governor, the existence of emergency conditions in the City, and reaffirms, reauthorizes, and continues the existence of a local emergency throughout the City.

Section 3. Further, the Council finds that holding the meetings of the City's legislative bodies in person would present imminent risk to the health and safety of attendees as a result of

the increased risk of the spread of the COVID-19 virus among those in attendance and that the State of California and County of Los Angeles Department of Public Health officials have imposed or recommended measures to promote social distancing in connection with the COVID-19 emergency, , as required by Government Code section 54953(e) *et seq.*

Section 4. The City Manager and legislative bodies of the City are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including, continuing to conduct open and public meetings remotely in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) December 9, 2021, or (ii) such time the Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City may continue to meet remotely, without compliance with Government Code section 54953(b)(3), but otherwise as permitted by Government Code section 54953(e) *et seq.*

PASSED, APPROVED AND ADOPTED this 9th day of November 2021.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 21-72 was passed and approved by the City Council of the City of South El Monte, at a regular meeting of said Council held on the 9th day of November, 2021 and that said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donna G. Schwartz, City Clerk



City Council Agenda Report

Agenda Item No. 7.e.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: William Fox, Interim Finance Director

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-73, AWARDING A PROFESSIONAL SERVICES AGREEMENT (PSA) TO KOSMONT TRANSACTION SERVICES FOR FINANCIAL ADVISORY SERVICES

SUMMARY: On September 29, 2021, the City issued a Request for Proposals (RFP) for Financial Advisory Services in conjunction with addressing the CalPERS unfunded pension liability. Four proposals were received by the deadline of October 21, 2021, by 4:00 p.m. Finance and City Administration have reviewed the proposals and determined that of the four companies, Kosmont Transaction Services is the financial advisory firm that can best meet the needs of the City.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-73, awarding a professional services agreement (PSA) to Kosmont Transaction Services for financial advisory services and authorizing City Manager to execute agreement.

FISCAL IMPACT: The fees proposed for the Phase 1 analysis are based upon time and material at \$70 - \$365 per hour based upon level of personnel involved in specific assigned tasks. The estimated amount for Phase 1 fees is \$20,000. Fees proposed for Phase 2 are \$35,000 for private placement bonds and \$45,000 for a public bond offering. Based upon the Phase 1 analysis, results will determine whether a private placement or public offering of bonds will provide the best financial outcome for the City. Financial advisory service costs will be capitalized as part of the bond issuance. The total contract amount is not to exceed \$65,000.

DISCUSSION: At the October 19, 2021 City Council meeting, staff requested that the City Council authorize the issuance of a Financial Advisory Services RFP. This request was approved and staff issued the RFP on October 21, 2021. Responses to the RFP were due on October 21, 2021 by 4:00 P.M. The City received a total of four proposals from the following companies.

- BLX Group Inc

- Kosmont Transaction Services
- PFM Financial Advisors LLC
- UFI Financial Solutions

The proposals received were examined and evaluated based upon 7 criteria as detailed on pages 12 and 13 in the RFP. A scoring matrix was developed based upon the specified criteria. The City's Purchasing Manual provided the methodology used for scoring the results. The numerical ranking method chosen was 1 being the highest ranking and 5 being the lowest ranking. The results reflected that each of the seven criteria was equally weighted. The seven criteria were as follows:

1. Thoroughness and understanding of the tasks to be completed.
2. Background and experience in organizational analysis evaluation
3. Staff experience and overall experience of personnel assigned to the work.
4. Commitment to accomplishing tasks based upon an agreed-upon schedule
5. Responsiveness to requirements in the RFP
6. Recent public sector experience
7. Costs

The review of the proposals revealed that all four of the responding proposers were outstanding and capable of performing the required work. Kosmont Transaction Services had the lowest total score and was selected to perform the financial advisory services. The overall scoring results were as follows:

1. Kosmont Transaction Services – 7 Points (Selected by City)
2. PFM Financial Advisors – 8 Points
3. UFI Financial Solutions – 8 Points
4. BLX Group Inc – 9 Points

Kosmont Transaction Services was founded in 1986 and is an Independent Registered Municipal Advisor in good standing with the Securities Exchange Commission and the Municipal Securities Rulemaking Board. It is also a certified Minority Business Enterprise (MBE). In addition, to financial advisory services, they have a breadth and depth of knowledge in economic development, real estate, and finance. Kosmont Transaction Services has been working with public agencies to address pension liability concerns for several years and successfully creating cost-saving solutions.

ATTACHMENT(S):

- A. Resolution No. 21-73
- B. Professional Services Agreement with Kosmont Transaction Services
- C. RFP and Addendum For Financial Advisory Services
- D. Kosmont Transaction Services Proposal

ATTACHMENT A

RESOLUTION NO. 21-73

A RESOLUTION OF THE SOUTH EL MONTE CITY
COUNCIL APPROVING AN AGREEMENT BETWEEN THE CITY
AND KOSMONT TRANSACTION SERVICES FOR FINANCIAL
ADVISORY SERVICES

WHEREAS, the City of South El Monte issued a Request for Proposals for Financial Advisory Services on September 29, 2021; and

WHEREAS, four responsive proposals were received by the October 21, 2021 deadline; and

WHEREAS, Finance and City Administration staff evaluated the proposal responses based upon the seven criteria as outlined in the Request for Proposal by using the scoring methodology as detailed in the City's Purchasing Manual; and

WHEREAS, following the review and scoring of proposals staff determined that Kosmont Transaction Services was the best fit to provide the financial advisory services for the City. Kosmont Transaction Services was also the top scoring bidder; and

WHEREAS, per the proposal submitted by Kosmont Transaction Services, the Fees for the Phase 1 analysis is on a time and material basis at \$70 - \$365 per hour depending upon level of personnel involved in specific assigned tasks. The total estimated amount for Phase 1 is not to exceed \$20,000. Fees for Phase 2 are \$35,000 for private placement bonds or \$45,000 for a public bond offering. Based upon the results of the Phase 1 analysis will determine which type of bond offering will be made. The total for the Agreement is not to exceed \$65,000.

**THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE DOES HEREBY
RESOLVE AS FOLLOWS:**

SECTION 1: The above recitals, and each of them, are true and correct.

SECTION 2: The City Council hereby authorizes and directs the City Manager to execute the Agreement in substantially the form attached as Attachment B to the November 9, 2021 staff report accompanying this Resolution. The Council further directs the City Manager to take all actions necessary to effectuate the Agreement.

SECTION 3 The City Clerk shall certify to the adoption of this Resolution

PASSED, APPROVED AND ADOPTED this 9th day of November 2021.

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
SS: CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 21-73 was passed and approved by the City Council of the City of South El Monte at a regular meeting of said Council held on the 9th day of November, 2021 and that said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donna G. Schwartz, City Clerk

ATTACHMENT B

CONTRACT SERVICES AGREEMENT

By and Between

CITY OF SOUTH EL MONTE

and

KOSMONT TRANSACTION SERVICES

**AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF SOUTH EL MONTE AND
KOSMONT TRANSACTION SERVICES**

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this ____ day of November, 2021 by and between the CITY OF SOUTH EL MONTE, a California, a municipal corporation (“City”) and Kosmont Transaction Services (“Consultant”). City and Consultant may be referred to, individually or collectively, as “Party” or “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of South El Monte Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those

standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant's Proposal.

The Scope of Services shall include the Consultant's scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other Consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed sixty five thousand Dollars (\$65,000) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.9.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and subcontractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding **one (1) year** from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D"). [The City may, in its sole discretion, extend the Term for one additional one-year term.

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Larry J. Kosmont
(Name)

President
(Title)

Daniel P. Massiello
(Name)

Senior Vice President
(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be William Fox, Interim Finance Director such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein,

except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant. Consultant represents and warrants that the personnel used to provide services to the City pursuant to this Agreement are classified by Consultant as employees and that Consultant issues or will issue a W-2 to such personnel.

In the event that Consultant or any employee, agent, subcontractor, or independent contractor of Consultant providing services under this Agreement claims or is determined by a federal or state agency, a court of competent jurisdiction, or the California Public Employees' Retirement System ("CalPERS") to be classified as other than an independent contractor for the City, then Consultant shall indemnify, defend, and hold harmless the City for the payment of any and all assessed fines, penalties, judgments, employee and/or employer contributions, and any other damages and costs assessed to the City as a consequence of, or in any way attributable to, the assertion that Consultant or any of Consultant's personnel used to provide the Services under this Agreement are other than independent contractors of the City.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

Without limiting Consultant's indemnification of City, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

(a) General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.

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

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

(d) Workers’ compensation insurance. Consultant shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

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

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

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

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

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

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

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

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(i) Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for

nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

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

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

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

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

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

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

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

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

5.3 Indemnification.

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable (“indemnitors”), or arising from Consultant’s or indemnitors’ reckless or willful misconduct, or arising from Consultant’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys’ fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys’ fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination or expiration of this Agreement.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant’s business, custody of the books and records may be given to City, and access shall be provided by Consultant’s successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”) prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents

and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

(d) 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 there under. City retains the right, 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, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other

reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ

such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of South El Monte, 6330 Pine Avenue, South El Monte, California 90201 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

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

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this

Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterests” pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant’s Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF SOUTH EL MONTE, a municipal corporation

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Anthony R. Taylor, City Attorney

CONSULTANT:

By: _____
Name: Larry J. Kosmont
Title: President

By: _____
Name: Daniel P. Massiello
Title: Senior Vice President

Address: Kosmont Transactions Services, Inc.
1601 N. Sepulveda Blvd, #382
Manhattan Beach, CA 90266

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

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 _____, 2021 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL	_____
☐ CORPORATE OFFICER	TITLE OR TYPE OF DOCUMENT

TITLE(S)	
☐ PARTNER(S) ☐ LIMITED	_____
☐ GENERAL	NUMBER OF PAGES
☐ ATTORNEY-IN-FACT	
☐ TRUSTEE(S)	_____
☐ GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
☐ OTHER _____	

SIGNER IS REPRESENTING:	
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

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.

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

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TITLE(S)	
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☐ TRUSTEE(S)	_____
☐ GUARDIAN/CONSERVATOR	DATE OF DOCUMENT
☐ OTHER _____	

SIGNER IS REPRESENTING:	
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”

SCOPE OF SERVICES

I. Consultant will perform the following Services:

A. Phase 1: Pension Funding Strategy Development

- Analyze the City’s current and future UAL on available actuarial information, CalPERS assumptions, funded status, assets, and estimated contribution rates.
- Describe the assumptions used to determine the future UAL including any volatility, any liability to a prefunding, and other risks.
- Provide a description of financing options for the City’s UAL based on all debt strictures currently available.
- Describe the assumptions used to determine the future UAL including any volatility, any liability to a pre-funding, and other risks.
- Provide a description of financing options for the City’s UAL based on all debt structures currently available including risks and costs involved with each.
- Analyze the option to pre-fund only a portion of the UAL and impact upon the City’s on- going obligation and City financial capacity.
- Analyze the option to use bond proceeds in a stabilization trust as opposed to paying the UAL directly to CalPERS. Provide the benefits and risks involved in this strategy.
- Provide debt service obligations under the various funding scenarios.
- Analyze future contribution levels from the City.
- If necessary, coordinate and represent the City in meetings with CalPERS to discuss the City’s options..
- Coordinate and represent the City in any meetings held with rating agencies to discuss the City’s options and strategies.
- Assist in the preparation of staff reports for the City financial approvals.

B. Phase 2: Debt Issuance Services (Not applicable unless City issues Notice to Proceed)

- Structure the debt issue.
- Create a schedule of tasks required for issuance of the Bonds, including the need to file a validation action, if required.

- Participate in staff meetings related to the issuance of the Bonds, as well as assist in the preparation of staff reports for City financing approvals.
- Prepare the rating strategy and rating agency credit presentation to optimize the credit rating assigned to the Bonds.
- Assist the staff in preparing the dialogue with the rating analysts.
- Make recommendations for credit enhancements, if any.
- For a negotiated sale of the Bonds:
 - Advise the City on the propriety of the underwriter's proposed pricing and compensation relative to the current market conditions.
 - Negotiate to provide the lowest available rates and cost to the City.
 - Provide the City with a pricing analysis and comparison of its transaction with other recent sales of comparable credit quality.
 - Provide quantitative schedules showing the results of the final pricing.
 - Prepare Cashflows.
- Coordinate the preliminary and final official statements in connection with the issuance of the Bonds. Work closely with the City's legal counsel to make sure all relevant financial information on the City is included in the official statement. Revise the Preliminary Official Statements for final interest rates and tables related thereto. Arrange for printing and distribution of the Final Official Statement within seven business days from the sale date.
- Review legal documents and closing certificates and opinions prepare by Bond Counsel.
- Prepare and maintain debt-related schedules.

C. Advise the City in administration of the Bonds after closing.

D. Develop a plan to deal with fluctuation in service needs and any associated price adjustments.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

A. For Phase 1:

1. Documentation with comprehensive scenario analyses and funding assumptions to arrive at structure of debt issuance.
2. Documentation regarding the City's current and future UAL on available actuarial information, CalPERS assumptions, funded status, assets, and estimated contribution rates.

3. Documentation related to the assumptions used to determine the future UAL including any volatility, any liability to a prefunding, or other risks and financing options for the City's UAL based on all debt strictures currently available.
4. Documentation related to the option to pre-fund only a portion of the UAL and impact upon the City's on-going obligation and City financial capacity.
5. Documentation the option to use bond proceeds in a stabilization trust as opposed to paying the UAL directly to CalPERS including the benefits and risks involved in the proposed strategy.
6. Provide debt service obligations under the various funding scenarios.
7. Documentation of analysis related to future contributions levels.

B. If the City issues a Notice to Proceed to Phase 2:

1. Schedule of tasks required for the issuance of bonds
2. For negotiated bonds, a pricing analysis and comparison of its transaction with other recent sales of comparable credit quality quantitative schedules showing the results of the final pricing
3. For negotiated bonds, quantitative schedules showing the results of the final pricing
4. For negotiated bonds, cashflows
4. Debt related schedules
6. Plan to deal with fluctuation in service needs and any associated price adjustments

III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City apprised of the status of performance by delivering the status reports to the City upon request.

IV. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.

V. Consultant will utilize the following personnel to accomplish the Services:

- A. Larry J. Kosmont, President
- B. Daniel P. Massiello, Senior Vice President
- C. David M. Bilby, Senior Advisor
 - Joseph Dieguez, Senior Advisor
- D. Shawden Soltani, Analyst

EXHIBIT “B”

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

EXHIBIT C”

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks:

Phase 1: Pension Funding Strategy Development – Structure the Finance Plan

- A. Client Review and Situation Assessment
- B. Develop a Financing Model for Analysis and Assumptions and Financing Alternatives
- C. Explore legal/Tax Issues
- D. Develop Financing Alternatives/Plan of Finance
- E. Credit Analysis
- F. Marketing/Sale Evaluation

Phase 1: Total Estimated Fees at Standard Billing Rates = \$20,000

Phase 2: Transaction Related Services Related to Debt Issuance

- A. Assist in selecting other service providers to conduct the financing. (Including underwriter and bond counsel)
- B. Prepare and maintain time schedule and costs to complete financing
- C. Work with City on timing of bond sale and type of financing and whether financing should be taxable or non-taxable
- D. Work with Bond Counsel on specifications and disclosures.
- E. Work with the City on competitive sales, private placements and negotiated sales activities depending on strategies determined by the City.
- F. Compute bond yields as defined by Federal regulations.
- G. Assist the City with delivery of funds and re-investment of proceeds and payment to CalPERS.
- H. Prepare post-sale analysis of bond transactions.
- I. Follow up with the City on post-issuance matters as they may arise.

Phase 2: Total Estimated Costs at Standard Billing Rates = \$45,000

- II.** A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.
- III.** Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task sub-budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.9.
- IV.** The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:
- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
 - B. Line items for all materials and equipment properly charged to the Services.
 - C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
 - D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
- V.** The total compensation for the Services shall not exceed the Contract Sum as provided in Section 2.1 of this Agreement.
- VI.** The Consultant's billing rates for all personnel are listed below:

Hourly Rates For Professional Services

President	\$365/Hour
Senior Vice President	\$325/Hour
Vice President	\$225/Hour
Senior Project Analyst	\$195/Hour
Project Analyst	\$165/Hour
Assistant Project Analyst	\$125/Hour
Clerical Support	\$70/Hour

EXHIBIT “D”

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services timely in accordance with the following schedule:**

		<u>Days to Perform</u>	<u>Deadline Date</u>
A.	Task A: Pension Funding Strategy Development including all applicable documentation and PowerPoint Presentation for the City Council	<u>90 Days</u>	<u>February 13, 2022</u>
B.	Task B: Debt Financing Plan and Bond Sales including all applicable documentation and participation in related City Council meeting which may include preparation of PowerPoint Presentation at the discretion of the City	<u>120 Days if and when the City issues a Notice to Proceed</u>	120 days from the date of Notice to Proceed

- II. Consultant shall deliver the following tangible work products to the City by the following dates.**

- A. Pension Funding Plan – January 24, 2022. Interim status updates provided weekly until completion.
- B. Debt Financing Plan & Bond Sales – Bond Sale and final reporting during week of May 23, 2022. Interim status updates provided weekly until completion.

- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**

ATTACHMENT C

Request For Proposals
For
Financial Advisory Services



RFP Release Date: September 29, 2021
RFP Response Due: 4:00 p.m., October 21, 2021

Table of Contents

- I. Introduction**
 - Community Profile and Governance
- II. Request Summary**
- III. Scope of Services**
 - Phase 1: Initial Services Pension Funding Strategy Development
 - Phase 2: Debt Issuance Services
 - Contract Term
 - Compensation
- IV. Information Concerning the Proposal Submittal**
 - Cover Page
 - Table of Contents
 - Executive Summary
 - Questionnaire/Responses
 - Company and General Information
 - Qualifications and Experience of the Firm
 - Qualifications and Experience of Proposed Staff
 - Fees
 - References
- V. Questions**
- VI. General Information**
- VII. Insurance Requirements**
- VIII. Proposal Review**
 - RFP Schedule
 - Evaluation of Proposals
- IX. Consultant Agreement**
- X. Attachments**
 - Appendix A - Certification of Proposal to the City
 - Appendix B - Sample of Professional Services Agreement
 - Exhibit "A" - Scope of Services
 - Exhibit "B" - Special Requirements
 - Exhibit "C" - Schedule of Compensation
 - Exhibit "D" - Schedule of Performance

I. INTRODUCTION

Community Profile and Governance

Incorporated in 1958, the City of South El Monte (City) is an industrial community of approximately 21,000 residents, encompassing 2.3 square miles. The City is located approximately 13 miles east of downtown Los Angeles and is adjacent to two major freeways and a major State Route in the San Gabriel Valley. The City offers a good blend of older and younger residents working in the same dedication and community spirit that the city was founded upon. Both residents and the City's business community are working together to make the City a better place to live and work. After six decades, the City has matured into a viable commercial and industrial base, with over 2,200 businesses within its 2.3 square miles. The City is currently focusing on improving the environment of the community and making it a better place to live and work.

The City of South El Monte consists of a five-member elected City Council (with elected Mayor) and an appointed City Manager. There are seven departments: Administration, City Clerk (appointed by Council), City Attorney (appointed by Council), Community Development, Community Services, Public Works and Finance. The Management Team consists of the following:

City Manager – Rachel Barbosa

Deputy City Manager – Rene Salas

Community Development/Public Works Director – Colby Cataldi

City Clerk – Donna Schwartz

City Attorney – Anthony R. Taylor (Partner with law firm of Aleshire & Wynder, LLP)

Interim Finance Director – William Fox

II. REQUEST SUMMARY

The City is seeking the services of a qualified Municipal Financial Advisor that is independent of the underwriting function, for the evaluation of the City's unfunded pension liability. This evaluation is to include the feasibility of issuance of Pension Obligation Bonds in response to the City's unfunded accrued liability (UAL) with CalPERS in the amount of approximately \$8.5 million. All City employees are classified under the CalPERS system as Miscellaneous Employees. Police and Fire services are provided through Los Angeles County and are not part of the City's employee workforce. Among other analyses, the City would like the Financial Advisor to provide a cost-benefit analysis of the anticipated debt service of the Pension Obligation Bonds in comparison to the City's current and future UAL obligations. The selected consultant will assist the City in developing a sound and practical financing plan to address the City's unfunded liability, including an evaluation of issuing Pension Obligation Bonds, and assistance in the preparation and sale of the bonds, including legal counsel and underwriter selection.

III. SCOPE OF SERVICES

The selected Financial Advisor shall be able to demonstrate a record of success in developing comprehensive pension funding strategies to address unfunded pension liability, in pre-issuance services such as developing a financing plan and schedule, and debt issuance services including structuring the debt issuance, advising the City on the underwriter's proposed pricing and compensation relative to the current market conditions and negotiating the lowest available rates and costs to the City. Interested parties will submit a comprehensive plan addressing the specific responsibilities, including, but not limited to:

A. Initial Services Pension Funding Strategy Development – Phase 1

- Analyze the City's current and future UAL on available actuarial information, CalPERS assumptions, funded status, assets, and estimated contribution rates.
- Describe the assumptions used to determine the future UAL including any volatility, any liability to a prefunding, and other risks.
- Provide a description of financing options for the City's UAL based on all debt strictures currently available.
- Describe the assumptions used to determine the future UAL including any volatility, any liability to a pre-funding, and other risks.
- Provide a description of financing options for the City's UAL based on all debt structures currently available including risks and costs involved with each.
- Analyze the option to pre-fund only a portion of the UAL and impact upon the City's on-going obligation and City financial capacity.
- Analyze the option to use bond proceeds in a stabilization trust as opposed to paying the UAL directly to CalPERS. Provide the benefits and risks involved in this strategy.
- Provide debt service obligations under the various funding scenarios.
- Analyze future contribution levels from the City.
- If necessary, coordinate and represent the City in meetings with CalPERS to discuss the City's options..
- Coordinate and represent the City in any meetings held with rating agencies to discuss the City's options and strategies.
- Assist in the preparation of staff reports for the City financial approvals.

B. Debt Issuance Services Required – Phase 2

The decision to proceed with Phase 2 implementation is based upon Pension Obligation Bonds being determined as the best financial alternative in the Phase 1 analysis. Steps required are as follows:

- Structure the debt issue.
- Create a schedule of tasks required for issuance of the Bonds, including the need to file a validation action, if required.
- Participate in staff meetings related to the issuance of the Bonds, as well as assist in the preparation of staff reports for City financing approvals.
- Prepare the rating strategy and rating agency credit presentation to optimize the credit rating assigned to the Bonds.
- Assist the staff in preparing the dialogue with the rating analysts.
- Make recommendations for credit enhancements, if any.
- For a negotiated sale of the Bonds:
 - Advise the City on the propriety of the underwriter's proposed pricing and compensation relative to the current market conditions.
 - Negotiate to provide the lowest available rates and cost to the City.
 - Provide the City with a pricing analysis and comparison of its transaction with other recent sales of comparable credit quality.
 - Provide quantitative schedules showing the results of the final pricing.
 - Prepare Cashflows.
- Coordinate the preliminary and final official statements in connection with the issuance of the Bonds. Work closely with the City's legal counsel to make sure all relevant financial information on the City is included in the official statement. Revise the Preliminary Official Statements for final interest rates and tables related thereto. Arrange for printing and distribution of the Final Official Statement within seven business days from the sale date.
- Review legal documents and closing certificates and opinions prepare by Bond Counsel.
- Prepare and maintain debt-related schedules.

- Advise the City in administration of the Bonds after closing.
- Develop a plan to deal with fluctuation in service needs and any associated price adjustments.

C. Contract Term

The term for both Phases of this contract shall be for a maximum of one year commencing approximately November 11, 2021. Initial Services (Phase 1) shall be completed in a maximum of 90 days commencing approximately November 15, 2022. Subject to the results of Phase 1, the City will make a determination whether to move forward with Debt Initiation Services (Phase 2). Should the City move forward with Phase 2, a written Notice to Proceed will be issued. Without a Written Notice to Proceed, Phase 2 will not begin.

D. Compensation

There are two phases to the compensation.

Phase 1:

Compensation should include, at minimum, all tasks identified in Phase 1.

Phase 2: (If the City issues Pension Obligation Bonds)

Compensation should be based on, but not limited to, all tasks identified in Phase 2. Compensation shall be a fixed fee per transaction; sliding compensation scales will be considered. All compensation for Phase 2 is payable from proceeds at closing.

IV. INFORMATION TO BE INCLUDED IN THE QUALIFICATIONS SUBMITTAL

Proposal Outline to Be Submitted

The proposal shall be organized and submitted with the following elements:

A. Cover Page

B. Table of Contents

C. Executive Summary

Provide a brief summary describing the proposer's ability to perform the work requested, a history of the proposer's background and experience providing services, the qualifications of the proposer's personnel to be assigned to City, any subcontractor, and sub-consultants, with a brief history of their background and experience. In addition, include and any other information called for by this request for proposal which the proposer deems relevant, including restating any exceptions to this request for proposal. This

summary should be brief and concise to apprise the reader of the basic services offered, experience and qualifications of the proposer, staff, subcontractors, and sub-consultants.

D. Questionnaire/Responses

The Proposer shall provide responses and information to fully satisfy each item in the Questionnaire. Each question item should be presented before the proposer's response is provided: Questions are detailed below:

1. The City has no outstanding Pension Obligation Bonds. Discuss whether the City should finance with General Obligation Bonds or Revenue Bonds and what would be the bond maturity period(s) recommended.
2. Under what circumstances, if any, would you recommend a private placement of Pension Obligation Bonds rather than a public offering?
3. What are the pros and cons of a private placement over a public offering?
4. Within the past 24 months, has your firm and/or any of its principals been the subject of any investigation related to the municipal securities industry?
5. Within the past 24 months, has your firm and/or any of its principals been involved in any litigation, arbitration, disciplinary, or any actions arising from the firm's financial advisory services practice?

E. Company and General Information

- Company name and address.
- Letter of transmittal signed by an individual authorized to bind the respondent, stating that the respondent has read and will comply with all terms and conditions of the RFP.
- General information about the primary contact that would be able to answer questions about the proposal. Include name, title, telephone number and email address of the individual.
- Additional information for inclusion in the response is located immediately behind the RFP at Appendix A and Appendix B.
 - Appendix A - Certification of Proposal to City
 - Appendix B - Sample Professional Services Agreement
 - Exhibit "A" - Scope of Services
 - Exhibit "B" - Special Requirements
 - Exhibit "C" - Schedule of Compensation
 - Exhibit "D" – Schedule of Performance

F. Qualifications and Experience of the Firm

- Firm's history and organizational structure, including the size of the firm, location of offices, years in business, organizational chart, name(s) of owner(s) and principal parties, and number and position titles of staff that will be serving the City.
- The primary business of the parent company and/or affiliates.
- Office(s) of your organization with primary responsibility for managing the engagement.
- Firm's experience providing insurance and risk management services, including the cities for which you have provided these services in the last five years.
- Other areas that may make the firm different from competitors.

G. Qualifications and Experience of Proposed Staff

- The qualifications of staff proposed for the assignment, position(s) in the firm, and types and amount of equivalent experience, including any municipal agencies with which they have worked in the past three years and their level of involvement. The resume(s) of the personnel who will be assigned to this project.

H. Fees

Please provide three copies in a separate envelope marked "Fees."

- Fees for the proposed service.
- Outline billing and payment expectations, including timing and method of payment.
- Any additional fees not already detailed above for consulting services requested.
- A specific "not to exceed" fixed fee including associated fees (i.e., printing costs, attendance at meetings, travel).

I. References

- Provide a list of current California municipal agencies for which the respondent has conducted financial advisory services in the last three years. From this list please provide at least three contacts that will serve as a reference attesting to the services provided.

V. QUESTIONS

- Questions concerning this RFP should be submitted by e-mail to William Fox, Interim Finance Director, at **wfox@soelmonte.org** by 4:00 P.M. PDT on October 11, 2021. All firms sending questions will receive responses to all questions and any other addenda that may be released via e-mail by October 14, 2021.

VI. GENERAL INFORMATION

- The successful proposer is expected to establish and maintain a working relationship with City Staff throughout the duration of the agreement. The City shall not pay any cost incurred in the preparation of a response to this Request for Proposal.

VII. INSURANCE REQUIREMENTS

- The City will require the successful proposer to acquire and maintain workers' compensation, employer's liability, commercial general liability, owned and non-owned and hired automobile liability, and professional liability insurance (errors & omissions) coverage relating to Consultant's services to be performed covering the City's risks in a form subject to the approval of the City Attorney and/or City's insurance advisor. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event shall be as follows:

Insurance Category

Workers' Compensation

Minimum Limits

Statutory minimum \$2,000,000
Per accident for bodily injury or disease

Commercial General Liability

\$2,000,000 per occurrence and
\$4,000,000 aggregate for bodily injury, personal injury and property damage

Automobile Liability \$2,000,000 per accident for bodily injury and property damage (coverage required to the extent applicable to Consultant's vehicle usage in performing services hereunder)

Professional Liability

\$2,000,000 per claims & Errors and Omissions Liability

- Any available insurance coverage broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the City as an additional Insured. Furthermore, the requirements for coverage and limits shall be the greater of either (1) the minimum coverage and limits or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured.

- The Consultant shall agree to include with all subcontractors in their subcontracts the same requirements and provisions including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City and its accompanying documents. Subcontractors shall further agree to include these same provisions with any sub-subcontractors.
- The Consultant shall furnish the City with certificates and copies of information or declaration pages of the insurance required and with respect to evidence of commercial general liability and automobile liability insurance coverage, original endorsements:
 - a. Precluding cancellation or **reduction in per occurrence limits** before the expiration of 30 days (ten days for nonpayment) after City shall have received written notification of cancellation in coverage or **reduction in per occurrence limits** by first class mail;
 - b. Naming the City of South El Monte its Council, officers, boards, commissions, employees, and agents, as additional insureds; and
 - c. Providing that Consultant's insurance coverage shall be primary insurance with respect to City and, its Council, officers, boards, commissions, employees, and agents, and any insurance or self-insurance maintained by City for itself, its Council, officers, boards, commissions, employees, or agents shall be in excess of Consultant's insurance and not contributory with it. Consultant and its insurer may not seek contribution from City's insurance or self-insurance.
- The limits of insurance required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's insurance or self-insurance may be called upon to protect City as a named Insured.
- All self-insured retentions (SIR) must be disclosed to City for approval and shall not reduce the limits of liability coverage. Policies containing an SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Consultant/Named Insured or City.
- The City reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.
- Any and all Subcontractors shall agree to be bound to Consultant and City in the same manner and to the same extent as Consultant is bound to City. Subcontractors shall further agree to include the same requirements and provisions, including the indemnity and insurance requirements, in any agreement with sub-subcontractors to the extent that they apply to the scope of the sub-subcontractor's work. A copy of the indemnity and insurance provisions shall be furnished by any subcontractor upon request.

- The Consultant shall maintain insurance to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following completion of this project or service. In the event the Consultant fails to obtain or maintain completed operations coverage as required by the City at its sole discretion may purchase the coverage required and the cost will be paid by Consultant.

VIII. PROPOSAL REVIEW

- The City's designated staff will evaluate proposals received. During the review process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarification from those that submit proposals or allow corrections of errors or omissions. Any and all changes in the RFP will be made by written addendum, which shall be issued by the City to all proposers who have responded to the RFP by the deadline.
- The City reserves the right to retain all proposals submitted. Submission of a proposal indicates the firm's acceptance of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the consultant selected.
- The preparation of the RFP will be at the total expense of the Proposer. There is no expressed or implied obligation for the City to reimburse responding proposers for any expense incurred in the preparation of proposals in response to this RFP. All proposals submitted to the City shall become properties of the City and will not be returned.
- The City reserves the right to reject any or all proposals, in whole or part, to waive any informality in any proposal, and to accept the proposal which, in its discretion, is in the best interest of the City.
- To be considered, proposers must provide **five bound copies, one unbound copy, and a single PDF file** of the Proposal for Financial Advisory Services that can be made available to City staff. The materials should be contained in a sealed envelope with the name of the company submitting the proposal, and the title of "Insurance Brokerage Services." The materials should be delivered no later than 4:00 P.M. PDT on October 21, 2021 to:

City of South El Monte
 Attention: Donna G Schwartz, City Clerk
 1415 N. Santa Anita Ave.
 South El Monte, CA 91733

A. RFP Schedule

The City reserves the right to make changes to the below schedule, but the current schedule for the implementation of this bid process is as follows:

Request for Proposal Release	09/29/2021
Question Submittal Deadline	10/11/2021
City Response to Questions	10/14/2021
Submittal Deadline (Date proposals must be received by)	10/21/2021
Finalists Selected/Presentations/Interviews	Week of 10/25/2021
Consultant Selection/Contract approved by City Council	11/09/2021

B. Evaluation of Proposals

- A team comprised of City staff, will be responsible for the bid evaluations. This team, in accordance with the criteria listed below, will evaluate all proposals received as specified. The City team members, in applying the major criteria to the proposals, may consider additional criteria beyond those listed. During the evaluation period, the team may elect to interview some or all the proposing firms. Any interviews would include City staff from Finance and City Administration. Interviews conducted would be done virtually via Zoom or Teams.
- The final selection will be the firm which, in the City's opinion, is the most responsive and responsible, meets the City's requirements in providing this service, and is in the City's best interest. The City maintains the sole and exclusive right to evaluate the merits of the proposals received.
- Consultants will be objectively evaluated based on their responses to the scope outlined in the RFP. The written proposal should clearly demonstrate how the firm could best satisfy the requirements of City. Proposals will be evaluated based on the following criteria:
 - Thoroughness and understanding of the tasks to be completed.
 - Background and experience in organizational analysis evaluation.
 - Staff expertise and overall experience of personnel assigned to the work.
 - Commitment to accomplish tasks based upon an agreed upon schedule.
 - Responsiveness to requirements.
 - Recent public sector experience.
 - Costs.

- Although price for the services is an important consideration for award, the City will consider other factors. These include the consultant's qualifications, expertise, and level of professional service and advice to be provided.

IX. CONSULTANT AGREEMENT

- A sample of the City's Professional Services Agreement is provided with this RFP as **Attachment B**. Your proposal shall contain a statement of the firm's willingness to execute the contract with an indication of any contractual requirements.

END OF RFP

APPENDIX A

CERTIFICATION OF PROPOSAL TO THE CITY

1. The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to the City in accordance with the Request for Proposals (RFP), dated September 15, 2021 and to be bound by the terms and conditions of the RFP.
2. This firm has carefully reviewed its proposal and understands and agrees that the City is not responsible for any errors or omissions on the part of the firm and that the firm is responsible for them.
3. It is understood and agreed that the City reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by the City.
4. The proposal includes all the commentary, figures and data required by the Requests for Proposal dated September 15, 2021.
5. This firm has carefully read and fully understands all the items contained in Request for Proposal for Insurance Brokerage Services.
6. The proposal by this firm is an irrevocable offer; it shall be valid for 120 days from October 21, 2021 unless both parties mutually agree to extend the date.

Name of firm: _____

By: _____

(Authorized Signature)

Type Name: _____

Title: _____

Date: _____

APPENDIX B

AGREEMENT FOR CONTRACT SERVICES BETWEEN THE CITY OF SOUTH EL MONTE AND _____

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this _____ day of _____, 2021 by and between the City of South El Monte, a California, a municipal corporation (“City”) and _____, _____ (“Consultant”). City and Consultant may be referred to, individually or collectively, as “Party” or “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of South El Monte Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice

recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant's Proposal.

The Scope of Services shall include the Consultant's scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be

responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other Consultants. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed _____ Dollars (\$ _____) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.9.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C", and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Consultant to determine whether the work performed, and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Consultant to be paid within forty-five (45) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by City for any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding _____ years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D"). [The City may, in its sole discretion, extend the Term for additional one-year terms.]

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant ("Principals") are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

(Name)

(Title)

(Name)

(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be [_____ or] such person as

may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venture or a member of any joint enterprise with Consultant. Consultant represents and warrants that the personnel used to provide services to the City pursuant to this Agreement are classified by Consultant as employees and that Consultant issues or will issue a W-2 to such personnel.

In the event that Consultant or any employee, agent, subcontractor, or independent contractor of Consultant providing services under this Agreement claims or is determined by a federal or state agency, a court of competent jurisdiction, or the California Public Employees' Retirement System ("CalPERS") to be classified as other than an independent contractor for the City, then Consultant shall indemnify, defend, and hold harmless the City for the payment of any and all assessed fines, penalties, judgments, employee and/or employer contributions, and any other damages and costs assessed to the City as a consequence of, or in any way attributable to, the assertion that Consultant or any of Consultant's personnel used to provide the Services under this Agreement are other than independent contractors of the City.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

Without limiting Consultant's indemnification of City, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own

expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

(a) General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.

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

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

(d) Workers’ compensation insurance. Consultant shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

(e) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

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

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

(c) Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to

contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

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

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

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

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

(h) Requirements not limiting. Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

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

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

excess/umbrella liability policies.

(k) Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

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

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

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

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

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

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

5.3 **Indemnification.**

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the City, its officers, employees and agents (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Consultant is legally liable (“indemnitors”), or arising from Consultant’s or indemnitors’ reckless or willful misconduct, or arising from Consultant’s or indemnitors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Consultant will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys’ fees incurred in connection therewith;

(b) Consultant will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Consultant hereunder; and Consultant agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Consultant for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Consultant hereunder, Consultant agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys’ fees.

Consultant shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Consultant shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Consultant in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three

(3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant’s business, custody of the books and records may be given to City, and access shall be provided by Consultant’s successor in interest. Notwithstanding the above, the Consultant shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”) prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City’s sole risk and without liability to Consultant, and Consultant’s guarantee and warranties shall not extend to such use, reuse or assignment. Consultant may retain copies of such

documents for its own use. Consultant shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.

(d) 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 there under. City retains the right, 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, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District

Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

7.2 Disputes; Default.

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or

different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such

action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 *et seq.*, as amended, and in connection therewith,

shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of South El Monte, 6330 Pine Avenue, South El Monte, California 90201 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

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

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterest” pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant’s Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF SOUTH EL MONTE, a municipal corporation

Gloria Olmos, Mayor

ATTEST

Donna G. Schwartz, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Anthony R. Taylor, City Attorney

CONSULTANT:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Address: _____

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

EXHIBIT "A"

SCOPE OF SERVICES

- I. Consultant will perform the following:
- II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:
- III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City apprised of the status of performance by delivering the following status reports:
- IV. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.
- V. Consultant will utilize the following personnel to accomplish the Services:

EXHIBIT “B”

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

EXHIBIT "C"

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

		RATE	TIME	SUB-BUDGET
A.	_____	_____	_____	_____
B.	_____	_____	_____	_____
C.	_____	_____	_____	_____
D.	_____	_____	_____	_____

II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.

III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task sub-budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.9.

IV. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A.** Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B.** Line items for all materials and equipment properly charged to the Services.
- C.** Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D.** Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

V. The total compensation for the Services shall not exceed the Contract Sum as provided in Section 2.1 of this Agreement.

VI. The Consultant's billing rates for all personnel are attached as Exhibit C-1.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

- I. **Consultant shall perform all services timely in accordance with the following schedule:**

		<u>Days to Perform</u>	<u>Deadline Date</u>
A.	Task A	_____	_____
B.	Task B	_____	_____
C.	Task C	_____	_____

- II. **Consultant shall deliver the following tangible work products to the City by the following dates.**

- A.
- B.
- C.

- III. **The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.7.**

Addendum#1 & #2 to RFP

Financial Advisory Services

Addendum #1 – October 14, 2021

1. Page 6 of the RFP under Section C mentions the term commencing approximately November 11, 2021, but also mentions in the next sentence that Phase 1 shall be completed in a maximum of 90 days commencing approximately **November 15, 2021.**
2. **Page 8** of the RFP, item F, 4th bullet point down requests that proposers provide their firm's experience providing **financial advisory services**, including the cities for which we have provided these services in the last five years.

Additionally, on **page 11** of the RFP, the final bullet point states: "To be considered, proposers must provide five bound copies, one unbound copy, and a single PDF file of the Proposal for Financial Advisory Services that can be made available to City staff. The materials should be contained in a sealed envelope with the name of the company submitting the proposal, and the title of **"Financial Advisory Services."**

Further, on **page 14** of the RFP in Appendix A, requests that proposers certify all of the statements, including #5, which reads:

"This firm has carefully read and fully understands all the items contained in Request for Proposal for **"Financial Advisory Services."**

Addendum #2 – October 19, 2021

1. Did the City receive any ARPA monies (COVID relief funds), if so, how much and how does the City intend to utilize these monies?

The City has been allocated \$5.2 million in ARPA funds. To date, 50% has been received. The City has not programmed the funds at this point. No funding strategy has been developed.

2. Does the City make any portion of Employee Contribution toward Normal Costs for the Classic (8.0%) or Tier 2 (7.0%) employees ?

The City does not pay for any portion of the Employee Contribution for Classic and Tier 2 employees.

3. Under Section III Scope of Services, the RFP request that submit " a comprehensive plan addressing the specific responsibilities including, but not limited to: A. Initial Services Pension Funding Strategy Development – Phase 1" Under what section of the response should we provide our response ?

Response can be provided under Scope of Services. It should be separate from the specific questions posed at Section 4, D.

4. Has the City made any changes to payroll/staffing since COVID?

Overall Staffing has gone up 4 fulltime employees. This is for Public Works Project Manager and 3 Public Safety/ Code enforcement Officers.

5. What actions did the City take in response to COVID?

The City followed LA County guidelines and protocols. As the guidelines were revised, the City mirrored their actions.

6. Nearly half of the City's annual revenues are comprised of sales tax and MVL, what has been the net financial impact to the General Fund as a result of COVID?

There was approximately an 8% decline in revenues from sales tax and MVL. However, a ballot measure was passed to increase the overall sales tax rate from 10.0% to 10.25% in November 2020. It became effective April 1, 2021. This was known as Measure ES and is forecasted to add another \$1.0 million in sales tax revenue annually.

7. Who is the City's primary relationship bank?

Citizens Business Bank

8. Is there a page limit to the RFP?

No limit.

ATTACHMENT D

Prepared For
CITY OF SOUTH EL MONTE

Submitted on
October 21, 2021

PROPOSAL FOR FINANCIAL ADVISORY SERVICES



Photo Credit: cityofsouthelmonte.org

kts
kosmont
transactions services

Prepared By
Kosmont Transactions Services, Inc.
1601 N. Sepulveda Blvd. #382
Manhattan Beach, CA 90266
Main Office: (424) 297-1073



LETTER OF TRANSMITTAL

October 21, 2021

Mr. William Fox, Interim Finance Director
Ms. Donna G Schwartz, City Clerk
City of South El Monte
1415 N. Santa Anita Ave.
South El Monte, CA 91733

**Re: City of South El Monte
Proposal for Financial Advisory Services**

Dear Mr. Fox, Ms. Schwartz, and Evaluation Team:

Kosmont Transactions Services, Inc. ("KTS") is grateful for the opportunity to present this Proposal to the City of South El Monte ("City") for consideration to provide Municipal Advisory ("MA") services related to the City's Unfunded Accrued Liability ("UAL") with the California Public Employees' Retirement System ("CalPERS") and other MA services as may be requested.

One of several integrated Kosmont firms **originally founded in 1986**, KTS is an Independent Registered Municipal Advisor ("IRMA") in good standing with the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB") and is also a certified Minority Business Enterprise ("MBE"). Larry Kosmont is a duly qualified Municipal Advisory Principal by virtue of having passed the "Series 54" Municipal Advisor Principal Exam, and the other senior personnel who would be working directly with the City are duly qualified Municipal Advisor Representatives by virtue of having passed the "Series 50" Municipal Advisor Representative Exam.

KTS is not a typical MA firm. By virtue of our relationship with Kosmont Companies and Kosmont Realty, KTS is uniquely structured to offer a distinctive and full range of products and services to public agencies and private entities that conduct business within the nexus of economic development, real estate, and finance. Unlike "monoline" MA firms that focus on a specific markets or subsets of financial products, KTS and our entire team have the breadth and depth of knowledge and experience to deliver customized and forward-thinking solutions that can be specifically tailored to meet South El Monte's unique set of financial policy goals and objectives.

KTS is not a large firm, which makes us nimble, agile, and responsive. Any issue or question that may arise during the course of any South El Monte transaction will receive the full and immediate attention of our

Mailing Address: 1601 N Sepulveda Blvd, #382
Manhattan Beach, CA 90266

Kosmont Transactions Services, Inc.
(424) 297-1073
www.KosmontTransactions.com

Physical Address: 1230 Rosecrans Ave, #630
Manhattan Beach, CA 90266



most senior personnel. KTS has a very "flat" operating structure, with Mr. Kosmont intimately involved in all transactions, and senior personnel – like Dan Massiello, who will be the Project Manager for all South El Monte assignments – are capable of implementing strategy and directives during the course of a bond issue without the need to "transact by committee".

KTS has been working with public agencies to address their pension liability concerns for several years now. We have performed an initial analysis of the City's UAL (please see Appendix A) and believe that the City has an opportunity to substantially reduce its pension costs over the next several years. KTS has also innovated several new techniques to access the capital markets in a timelier fashion by issuing Lease Revenue Bonds to fund pension liabilities rather than time-consuming Pension Obligation Bonds, which require court validation. More specifically, KTS has developed, in conjunction with our access to the real estate expertise of our affiliated companies, a program whereby the City can pledge smaller portions of its asset base to preserve the value for future borrowing needs and not deplete its valuable real property assets on just one transaction. We would welcome the opportunity to discuss this exciting program with you in further detail.

Both undersigned will be responsible for day-to-day management of any City assignments. We appreciate the opportunity to submit this Proposal to the City and we are available to discuss its contents at your convenience. As requested, we are also submitting our Fee Proposal under separate cover.

Sincerely,

A handwritten signature in black ink, reading "Larry J. Kosmont". The signature is fluid and cursive, with the first name "Larry" being more prominent.

Larry J. Kosmont, CRE®, President

Cell: (213) 507-9000

Email: LKosmont@KosmontTransactions.com

A handwritten signature in black ink, reading "Daniel P. Massiello". The signature is fluid and cursive, with the first name "Daniel" being more prominent.

Daniel P. Massiello, Senior Vice President

Cell: (858) 220-3445

Email: DMassiello@KosmontTransactions.com

SECTION 1. EXECUTIVE SUMMARY/GENERAL INFORMATION	1
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SECTION 5. REFERENCES	26
PRELIMINARY UAL ANALYSIS	APPENDIX A
CERTIFICATION OF PROPOSAL TO THE CITY	APPENDIX B
PER THE INSTRUCTIONS CONTAINED IN THE RFP, THE KTS FEE PROPOSAL IS ENCLOSED IN A SEPARATE ENVELOPE MARKED "FEES".	

KOSMONT MISSION:

Pursuit of *four pillars of strength...*

Innovation, Integration, Intelligence, and Integrity

On the *cutting edge* of products and services

Achieve *financial success* for our public and private sector clients

Committed to *community prosperity* and quality of life

Professional standards of the *highest excellence*

SECTION 1. EXECUTIVE SUMMARY/ GENERAL INFORMATION

INTRODUCTION AND GENERAL INFORMATION

Kosmont Transactions Services, Inc. ("KTS") is one of three integrated firms dedicated to the pursuit of Economic Development opportunities for our clients. Each firm provides a unique and comprehensive set of services to public agencies and private entities that conduct business within the nexus of finance, real estate, and economic development.

KOSMONT SERVICES OVERVIEW



KTS is incorporated in the State of California, is wholly owned by Larry J. Kosmont, is a certified Minority Business Enterprise ("MBE"), and is an Independent Registered Municipal Advisor ("IRMA") with the Securities and Exchange Commission ("SEC") (SEC file number: 867-02452) and the Municipal Securities Rulemaking Board ("MSRB") (MSRB ID: K1256), that is in good standing with all applicable federal and State regulatory authorities.

Dan Massiello will be the Project Manager and Larry Kosmont will be responsible for Executive Oversight for all South El Monte assignments. Please see "Qualifications and Experience of Proposed Staff" herein for further details and contact information.

EXECUTIVE SUMMARY

KTS is a full-service, highly integrated, multi-disciplined operation with a Southern-California regional focus that advises on and manages complex and comprehensive projects from the ground up. From analyzing alternative finance structures through drafting security provisions to assuring the best possible credit rating is obtained, the KTS Team works diligently to maximize benefit and minimize financing costs to our clients.

KTS specializes in and focuses on providing municipal advisory and consulting services related to the issuance of municipals securities and other activities that are required to successfully implement public agencies' economic development strategies. KTS obtained its Municipal Advisory credentials precisely to work with cities like the City of South El Monte (the "City") so that the entire Kosmont Team of companies can deliver a full breadth of services to the City, from real estate and economic development consulting to identifying cost saving opportunities such as refinancing the City's Unfunded Accrued Liability ("UAL") with the California Public Employees' Retirement System ("CalPERS").

KTS has five (5) accredited Municipal Advisor Professionals on staff and is uniquely qualified not only to provide the City with the scope of service needed to successfully refinance its UAL, but also to enhance and expand those services to integrate the City's economic development and financial goals on a holistic level across departments. We know of no other integrated set of companies that can provide a full complement of Municipal Advisory, Real Estate Brokerage, and Economic Development Services.

- KTS is one of three integrated Kosmont firms (i.e., Kosmont Transactions Services, Inc., Kosmont Realty and Kosmont Companies) dedicated to the pursuit Economic Development opportunities for our clients
- KTS is an IRMA which enables us to provide advice related to the issuance of municipal securities in addition to a comprehensive and multi-faceted portfolio of economic development services
- Economic Development is a broadly defined term encompassing multiple disciplines related to identifying, obtaining, generating, creating, enhancing, supporting, augmenting and developing opportunities to increase a City's capacity to GENERATE REVENUES (offensive) or CREATE SAVINGS (defensive) which work hand-in-glove with the needs of cities to implement critical infrastructure or economic development-oriented projects
- All three Kosmont firms are dedicated to seeking savings and revenue enhancing opportunities wherever we can
 - ✓ ED Strategies, Economics, EIFD formation – *Kosmont Companies*
 - ✓ Real Estate and P3 opportunities – *Kosmont Realty*
 - ✓ Debt financing, refinancing and cost-saving opportunities – *Kosmont Transactions Services, Inc.*

KTS works collaboratively with Kosmont Realty and Kosmont Companies and can assist with the evaluation of the real estate market for both commercial and residential projects, as well as economic and financial data gathering and analysis to develop the City's long-range Economic Development planning and implementation strategies. This is of particular importance to the City as it relates to potentially refinancing its UAL with bonds.

KTS has established a new approach to valuing City assets needed to issue Lease Revenue Bonds that has proven very successful. KTS is uniquely qualified to research and determine property valuations of discrete

City assets that can be used for Lease Revenue Bond financings. This is especially helpful in cities with large financing requirements but a limited inventory of so-called “essential assets,” such as newer civic buildings. KTS’s approach of assembling specific leased asset packages on a targeted basis, coupled with our real estate valuation expertise, has garnered excellent credit ratings and low interest rates for our clients while preserving the bulk of their overall asset base for use in future financings as they may be needed. This new approach can be brought to work for the City of South El Monte.

Please see the balance of this Proposal for information related to KTS’s specific qualifications to work with the City as its IRMA in the evaluation of how best to reduce the City’s pensions costs.

The City’s Unfunded Accrued Liability

City pension costs have been rising dramatically due to requirement to repay the UAL owed to the CalPERS. The City’s Fiscal Year 2022-23 payment will be 13.6% greater than its Fiscal Year 2021-22 payment, and if nothing else changes, its Fiscal Year 2031-32 payment will be 59.2% greater than the City’s Fiscal Year 2021-22 payment. These levels of cost increases to the City’s budget are unsustainable and will require the use of City reserves to make payments, until those reserves are depleted.

The City’s UAL is projected to be \$9,601,214 by CalPERS at June 30, 2022. CalPERS has determined an amortization schedule based on this amount and is charging the City 7% interest on this debt. The growth of the UAL was driven primarily by changes in actuarial assumptions and lackluster investment performance by CalPERS over time, such as missing its 7% earnings target in seven (7) of the past 16 years.

Current rates in the municipal bond market are low, offering the City an opportunity to refinance this debt at a reduced interest rate. Savings estimates from refinancing UAL could produce as much as \$1.6 to \$3.1 million in pension cost savings over time.

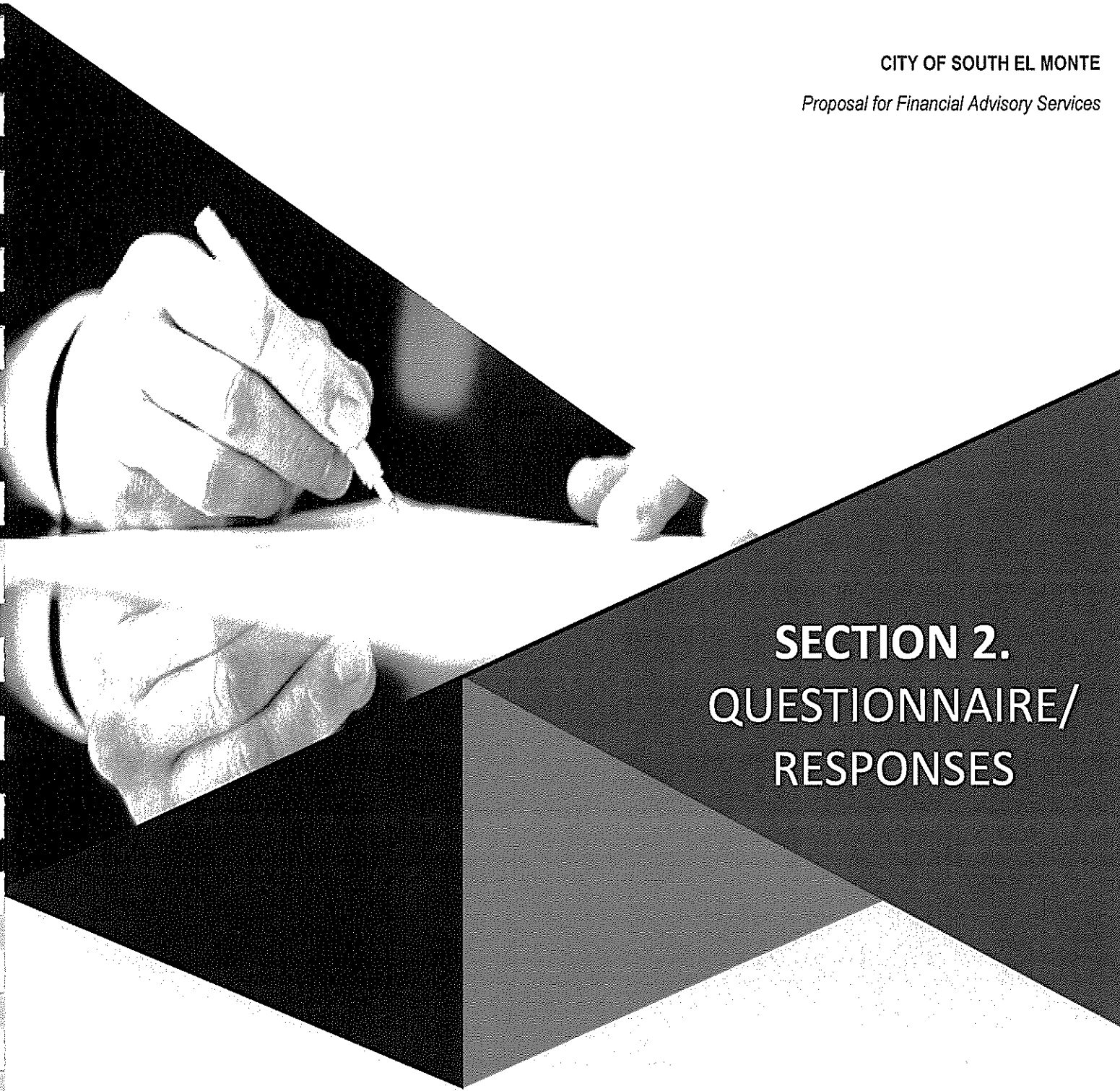
Market-based solutions to refinance this debt have evolved and improved over time and, unlike deals undertaken in the early- to mid-2000s, UAL refinancing structures now resemble “traditional” municipal finance structures, specifically including the ability to build in a 10-year par call with no impact on pricing or distribution.

Numerous CA cities have refinanced their UALs thanks to currently favorable interest rates, strong investor demand, and palatable structuring options. With KTS’s help, the City can explore the option of refinancing its UAL with the goal of better aligning pension costs with current revenues. We believe the City is making the right choice to address this steep increase in pension costs, and we believe we are the best qualified to work with the City to convert this opportunity into a reality for the City and its Citizens.

EXCEPTIONS

If awarded the contract, KTS will request that the City strike the phrase in Section 5.1 of the City’s standard contract reading: “Without limiting Consultant’s indemnification of City” as KTS will be providing (including umbrella insurance) \$5 million in commercial general liability as well as errors and omissions insurance to the City, which amounts should sufficiently indemnify the City.

If awarded the contract, KTS will request that the survival period in Section 5.4 (c) be clarified so that it is not so open-ended, by adding these words at the end of this sentence: “...shall survive termination of this Agreement for a period not to exceed four years” which time period should cover any possible Statute of Limitations.



SECTION 2. QUESTIONNAIRE/ RESPONSES

1. The City has no outstanding Pension Obligation Bonds. Discuss whether the City should finance with General Obligation Bonds or Revenue Bonds and what would be the bond maturity period(s) recommended.

There are two primary obligations that the City can issue to refinance its UAL: Pension Obligation Bonds or Lease Revenue Bonds. Pension Obligation Bonds ("POBs") require validation by the Court and are therefore considered General Obligation Bonds once validated. Although validation has historically been a perfunctory process since POBs are considered an existing debt imposed by law, the process is slow (can be 120 or more days) which exposes the City to a longer period of market risk (i.e. rates may rise before being able to sell bonds). Lease Revenue Bonds ("LRBs") do not require Court validation; therefore, the issuance process is quicker, reducing the City's market risk. An issue of LRBs can be finalized within 60-90 days once the City is prepared to move forward in earnest.

In addition to timing, there are other distinctions between POBs and LRBs that would influence the decision regarding which path to choose. For example, POBs would not require the City to encumber any of its real property assets through a lease/leaseback structure, as would be the case with LRBs. POBs also generally earn a bond rating equal to the "issuer credit rating" due to the nature of the GO pledge, while LRBs generally receive a bond rating of "one notch lower" than that of the issuer's underlying credit rating. In other words, the LRBs of an issuer with a credit rating of "A+" would be rated "A", while the POBs would receive the "A+" rating. Interestingly, KTS has observed that the impact of a slightly lower credit rating tends to be offset by the perceived benefit to investors of the inclusion of real property assets in the credit pledge. Investors seem to prefer the inclusion of assets in the credit structure as opposed to simply relying on the issuers "promise to repay", which is all a POB's GO pledge really means. Because a validated GO Bond does not come with a voter-approved tax override (a so-called "unlimited *ad valorem* tax"), the security for POBs boils down to the issuer's ability to afford the payments, just like that of an LRB. This causes many investors to prefer the security of the issuer's covenant to make rental payments on the leased property.

KTS believe that the advantages and disadvantages of LRBs vs. POBs tend to be better measured in terms of time to enter the markets, the capability of an issuer to assemble an adequate amount of real property to use in the underlying lease/leaseback transaction that supports the issuance of LRBs, and whether or not the issuer has a pension tax override rather than simply looking at the potential to earn a slightly better credit rating on POBs vs. LRBs. In other words, a City with few assets or a pension tax override in its tax levy may be better served to go through Court validation and issue POBs, whereas a City with adequate inventory of assets and no pension tax override may be better served by entering the market sooner than later.

As far as the final maturity of the Bonds is concerned, we have provide some initial structing ideas in Appendix A which contemplate issuing the bonds under a Private Placement scenario. Private Placements generally are not available with a term that is longer than 20 years, so our initial analyses consider repayment structures that correspond with the current CalPERS UAL amortization schedule (i.e. final payment in July, 2044) and a final repayment in July of 2040 for the Private Placement approach. If selected to work with the City, we can run multiple financing scenarios to illustrate the impacts of the different repayment terms for the City's evaluation.

Please see the Case Studies herein for the Redondo Beach and Placentia UAL refinancings and the initial analyses prepared in Appendix A for further details.

2. Under what circumstances, if any, would you recommend a private placement of Pension Obligation Bonds rather than a public offering?

3. What are the pros and cons of a private placement over a public offering?

A "Private Placement" typically means to sell all of the bond issue to one (1) purchaser, usually (although not necessarily) a commercial bank. Private Placement transactions have several benefits, primarily that there is minimal "disclosure" required (i.e. no Official Statement), so legal costs are lower and the transaction can be completed more quickly. However, Private Placements tend to require stricter credit pledges and security structures, and it is very likely that the financing term (length) will be no more than 15 years –possibly 20 if we are able to identify a willing purchaser. Moreover, there would be no ability to utilize "alternative" assets for a LRB approach; a Private Placement purchaser will require "essential" and "traditional" City assets, such as a City Hall, Police Station(s), Fire stations, or other civic property essential to the operation of the City. However, if these assets are older than 20 years, that could result in a smaller universe of private placement purchasers willing to buy the City's bonds.

The projected size of the City's borrowing (approaching \$10 million) is not too small for a Public Offering. Generally speaking, issues of greater than \$5 million benefit from the larger universe of potential investors available in a Public Offering vs. making a deal with just one investor. Additionally, we have observed a trend toward higher private placement interest rates than publicly offered rates since the middle of the summer which, in addition to the potentially stricter credit requirements of the private placement approach, might lead the City to be better served with a Public Offering.

Regardless, as part of our duties as the City's IRMA, KTS would undertake a comprehensive market survey and report our findings to City Staff to enable a proper assessment of the best course of action prior to the City making any financial commitments.

Please see Appendix A for initial analyses of potential financing structures where additional considerations of Private Placement vs. Public Offering are discussed.

4. Within the past 24 months, has your firm and/or any of its principals been the subject of any investigation related to the municipal securities industry?

KTS and its principals have not been the subject of any investigation related to the municipal securities industry within the past 24 months.

5. Within the past 24 months, has your firm and/or any of its principals been involved in any litigation, arbitration, disciplinary, or any actions arising from the firm's financial advisory services practice?

KTS and its principals have not been involved in any litigation, arbitration, disciplinary, or any actions arising from the firm's financial advisory services practice within the past 24 months.



SECTION 3. QUALIFICATIONS AND EXPERIENCE OF THE FIRM

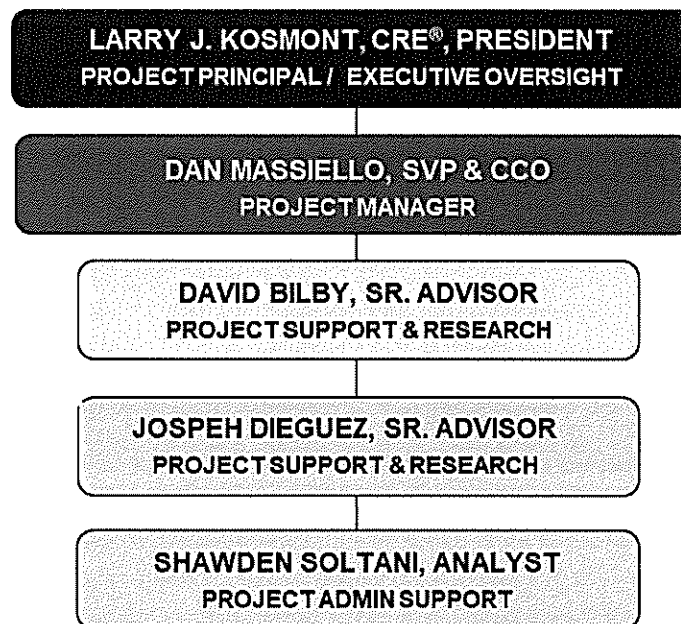
SECTION 3.
QUALIFICATIONS AND EXPERIENCE OF
THE FIRM

CITY OF SOUTH EL MONTE
Proposal for Financial Advisory Services

KTS is one of three integrated firms originally founded in 1986 dedicated to the pursuit of Economic Development opportunities for our clients. Each firm provides a unique and comprehensive yet integrated set of services to public agencies and private entities that conduct business within the nexus of finance, real estate, and economic development.

KTS is an Independent Registered Municipal Advisor ("IRMA") with the Securities and Exchange Commission ("SEC") (SEC file number: 867-02452) and the Municipal Securities Rulemaking Board ("MSRB") (MSRB ID: K1256). We are located at 1230 Rosecrans Ave Suite 630, Manhattan Beach, CA 90266, our mailing address of 1601 N. Sepulveda Blvd., #382, Manhattan Beach, CA 90266. We are incorporated in the State of California, wholly owned by Larry J. Kosmont, and we are a certified Minority Business Enterprise ("MBE").

KTS ORGANIZATIONAL CHART



KTS has five (5) accredited Municipal Advisor Professionals on staff and is committed to provide the City the full Scope of Services as requested in the RFP. We believe KTS offers a broad-based and comprehensive set of qualifications and team experience due to our integration with Kosmont Realty and Kosmont Companies.

The following is a comprehensive description of our approach to client consultation and the delivery of strategic planning and transactional municipal advisory services. We view our comprehensive approach as a continuum of services to be provided on an ongoing and as-needed basis, in accordance with the City's wishes and needs.

The primary responsibility of a Municipal Advisor is to protect the client while facilitating a seamless financial transaction. We will be in the role of "fiduciary" for the City and will have an obligation to advise and suggest courses of action that are in the City's best interests, not ours, an Underwriter's, or those of anyone else except the City.

As an IRMA, KTS does not engage in any form of underwriting, trading, marketing, or investing in securities, nor do we have any affiliate which engages in these lines of business. One of KTS's affiliate companies, Kosmont Companies, is a leader in economic development consulting and is a leading authority on implementing economic



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development projects in a post redevelopment agency world, including EIFDs which utilize tax increment financing to fund economic development, sustainability, and infrastructure projects. This expertise, when combined with our knowledge of the real estate markets – thanks to KTS’s integration with Kosmont Realty – will enable KTS to develop strategies to implement the City’s socioeconomic, fiscal, and social policy goals and objectives from a holistic perspective and in light of its long-range planning considerations, while protecting its best interests and ensuring compliant and seamless financial transactions when the City enters the capital markets.

GENERAL SCOPE OF SERVICES

Our professionals have significant experience with numerous financing structures including pension obligation bonds, sales tax, enterprise, power, water and wastewater revenue bonds, general obligation bonds, COP/lease financings, tax allocation bonds, limited and special assessment tax bonds, fixed, variable and floating interest rate provisions, and other innovative structures.

The following is an overview of the combined services the Kosmont professionals can bring to work for the City of South El Monte.

Debt and Issuance Management

- Design debt structures, analyze capacity, evaluate refunding/restructuring opportunities, recommend lien structure alternatives, identify opportunities to develop and leverage new revenue streams
- Execute complex fixed and variable rate capital market transactions
- Manage the credit rating process: assist in strategy and negotiations, design, create informational material and build presentations to bond insurance companies and rating agencies, and coach speakers
- Capitalize on credit enhancement opportunities
- Advise on market positioning, market timing, and assist with investor development
- Drive issuance process and coordinate work of bankers, attorneys, and other advisors

Quantitative Services

- UAL analysis
- Bond structuring and sizing
- Cash defeasance analysis
- Cash-flow projections
- Debt service coverage analysis
- Escrow restructuring
- Project fund draw analysis
- Project fund earnings analysis
- Refunding analysis (advance, current and forward)
- Reserve fund analysis
- Synthetic refunding analysis
- Tax capacity analysis
- Yield reduction calculations / analysis

Strategic Financial and Fiscal Analysis

- Perform quantitative analyses of alternative financial structures with extensive modeling, sensitivity analysis and written reports
- Review the long-term economic development, socioeconomic, sustainability, and social issue policy goals of the City and its agencies as related and evaluate their current debt portfolio to best maximize their value in light of the City's these policy goals and objectives
- Review the capital improvement programs of the City and its agencies in light of the City's holistic policy goals and objectives
- Develop strategies and suggested courses of action for achieving the City's economic development, socioeconomic, sustainability, and social issue policy goals
 - Kosmont Companies is a leader in EIFD formation which can be a vehicle to implement numerous economic development, socioeconomic, sustainability, and social issue policy goals and objectives
- Evaluate fiscal revenues (e.g., property tax, sales tax) and fiscal expenditures (e.g., police, fire, community service costs) and the resulting net fiscal impact to the City from project/district implementation over time
- Analyze economic benefits, such as job creation, wage impacts, and total economic output from both temporary construction activity and an on ongoing permanent basis, including direct, indirect, and induced (multiplier) impacts
- Integrate financing plans with operating budget and long-range capital plans
- Review feasibility studies and develop detailed cash flow forecasts, as necessary
- Review/develop debt management policies to comply with state laws and incorporate best industry practices
- Develop and coordinate project timelines and deliverables
- Advise on federal, state and local funding opportunities and considerations
- Prepare financial and operating reports for compliance and reporting requirements
- Develop and make presentations to key stakeholders
- Analyze and interpret legislation for economic or financial opportunities (or impacts) for the City and its agencies
- Analyze and interpret business plans and financial proposals made to the City and provide input or alternate suggestions based on our real estate and economic development expertise
- Analyze one-time and recurring fiscal revenue and expenditure impacts
- Review and evaluate developer proposals
- Identify and pursue possible funding sources, financing structures, and/or other economic development tools, such as Grants (e.g., Greenhouse Gas Reduction Cap-and-Trade funds)
- Assist with the issuance of public or public/private bonds or notes, lease or lease/leaseback financing, site-specific tax revenue pledges, and/or EB-5 immigrant investment
- Structure and negotiate Public-private transactions as applicable
- Manage process and provide selection assistance for development, planning, architectural and other professional services
 - Prepare and distribute requests for qualifications / proposals
- Perform/provide Broker Opinion of Value (BOV) and other real estate valuation services

Bond Underwriter Management and Pricing Evaluation

In evaluating an underwriter's performance on the pricing of municipal bonds it is important to first ask the right questions during the selection process of an underwriter. Too often a key determinant is the lowest takedowns and underwriter's discount instead of determining if a firm understands the credit of the underlying security and whether they have experience working with it.

Besides asking if an underwriter understands the underlying credit, we would evaluate if indicative pricing spreads to a benchmark are credible and if post pricing trading performance of comparable transactions underwritten by the firm show unusual price appreciation shortly after a sale. Once an underwriter(s) is selected we will then do the following to create a conducive environment in which the underwriter will attract a large investor base, thereby price the City's bonds with the lowest possible yields:

- Determine that the appropriate yield curve is used (e.g., early, mid, or late AAA MMD), which is especially important during a steep yield curve environment when there can be big differences between maturity months
- Require "investor read sheets" prior to pricing and access to frequent, real-time, detailed information on order flow, including names of specific investors, with internet accessible order monitor to assist with the determination if price adjustments are warranted and that their order book fits within a particular investor subscription range

APPROACH TO DELIVERY OF SCOPE OF SERVICES

KTS will take a very hands-on approach to serving the City and will provide educational/informational study session(s) to various stakeholders as needed. We will begin with the development of a thorough understanding of the City's financial situation. Once this initial review has been completed, we will be better equipped to successfully assist the City with the implementation of any programs or financings that may be needed, as well as perform any other type of financing analysis that the City may require.

Members of our team will always be available to respond to daily requests for information and analysis. This requires a commitment of qualified personnel and internal communication capabilities such that we are able to respond to most information requests within 24-hours, if not more rapidly, for routine matters. In serving as the City's financial advisor, our engagement will be guided by the following objectives:

- KTS will provide independent professional advice and recommend actions that are consistent with the City's policies and objectives - City officials and staff must be confident that we will always act in the best interest of the City
- KTS will assure the availability of senior personnel to meet with City staff and Council to present our analyses and recommendations
- KTS will effectively represent City in overseeing all financing processes to assure that the results are the most effective and least costly

Structure the Plan of Finance

KTS will deliver all the services required to identify, evaluate, and implement project financing plans and publicly offered bond issues for the City through a phased approach as described below. This proposed work plan provides a series of guideposts in the process of developing an optimal plan of finance that will best leverage the multiple revenue generating assets under the City's control, as well as maximize value contained within the City's and its

agencies' debt portfolios. Each phase can be expanded to meet the needs of the City or compressed to meet a tighter timeframe if the City's goals and objectives so dictate.

Phase I: *Client Review and Situation Assessment* - In developing any financing strategy, our first step is to learn as much as possible about our client's existing programs and its long-term financing goals and objectives. We will begin our due diligence by reviewing past financial statements, the current budget, the history of revenue collections, rating agency reports, bond documents for prior bonds and future bond issuance expectations associated with existing operations. Our goal here is to rapidly gain an in-depth understanding of the City's historical capital and operating positions, in order to develop financing alternatives that meet the City's goals.

Phase II: *Develop a Financing Model for Analysis of Assumptions and Financing Alternatives* - This phase will establish a spectrum of probable scenarios on how, when, and which components of projects and refundings will be financed. First, our financing team will create a model of the City's proposed capital improvement program, economic development projects, and future anticipated bond issues to develop a projected debt portfolio and overall cash flow model. We will analyze the various structuring approaches available and construct a financing model that simulates various financial assumptions that can be used to test alternative financing scenarios. This model will provide the City with an understanding of the dynamics and implications of each funding option.

Phase III: *Explore Legal/Tax Issues* - This phase would require coordination with City staff and appropriate legal counsel to analyze the structuring issues arising from the legal framework in which the City operates as well as those issues regarding the federal tax treatment of the proposed financing alternatives.

Phase IV: *Develop Financing Alternatives/Plan of Finance* - At this point, detailed financing alternatives will be explored. We will identify and analyze, as appropriate, the full range of financing options, credit enhancements, and security structures, including financing from internally generated funds ("pay-as-you-go" financing), long-term fixed rate financing, variable interest rate financing and senior/junior lien structures. We will also undertake the detailed analysis of the sources of debt repayment, the use of special revenue pledges and State and federal programs. We will look to assist the City in developing a "balanced" debt portfolio that consists of low-cost borrowing structures.

Phase V: *Credit Analysis* - KTS has extensive experience and solid relationships with each of the major rating agencies: Moody's Investors Service, Inc., S&P Global, and Fitch Ratings. The general approach we take in managing the rating process consists of the following activities: we assess the credit quality and characteristics of the issuer; we identify the issuer's assets and strengths and develop strategies to remedy the issuer's potential weaknesses; we help the issuer develop and implement a long-term strategy to improve its rating as needed; we assist the issuer in presenting its plan to the rating agencies; and we advise the issuer to continually press for rating improvement.

In addition, we will concurrently analyze the primary credit aspects of various financing alternatives, particularly those that tend to be "hot buttons" for rating agencies/credit enhancers. The analysis of such credit aspects typically tends to focus on the strength of the pledged revenue streams; use of capitalized interest (if a construction funding structure is utilized); the use of reserve funds; debt service coverage; additional bond provisions; and the impact of the financing on the general credit of the City and its operations. This phase will conclude with the preparation of a detailed financing plan that will consider all feasible alternatives for project completion while allowing for flexibility to change due to possible fluctuations in revenue streams and/or market conditions. With this plan, the City can approach the credit enhancement providers, rating agencies, and the investor market with confidence and purpose.

Phase VI: Marketing/Sale Evaluation - Ultimately, the nature of any financing alternatives selected will determine the manner in which the debt will be offered for sale. Other factors, such as the issuer's credit, security/debt repayment structure, anticipated debt rating, and amount of debt will also be considered. Sale options are numerous, including selling the debt on a competitive versus negotiated sale basis; issuing the debt through a private placement; or issuing the debt on a fixed rate versus a variable rate basis.

Phase VII: Transaction Related Services - Once the plan of finance has been finalized, KTS will continue to work with the City throughout the execution of the financing. This will certainly include but not necessarily be limited to the following conventional bond sale related Municipal Advisory services:

- Assist the City in selecting other service providers necessary to conduct the financing, which may include but are not limited to: bond and disclosure counsel; underwriter; printer; trustee/paying agent; fiscal consultant; and such other professionals as requested by the City. In choosing these service providers, KTS would assist the City by:
 - drafting a comprehensive request for proposals/qualifications
 - providing the City with a shortlist of qualified service providers
 - providing an evaluation of each service provider's submitted proposal/qualifications
 - participating in the interviews and/or the proposal evaluation process
- Prepare and maintain a time schedule, costs of issuance budget and distribution list of participants, and take such actions as desired by the City to efficiently manage the financing to meet the City's objectives
- We will advise the City as to the timing of the sale date and the condition of the taxable/tax-exempt market
- Provide bond counsel with the specifications of the issue to assist in the preparation of the required legal documents for official consideration and action
- Assist the appropriate counsel and the City's staff in developing the Official Statement and Continuing Disclosure Agreement
- Work closely with the City's staff in preparing credit presentations for rating agencies and the investor market as appropriate and necessary under current circumstances
- Competitive sale activities would include:
 - arrange for the advertisement of the sale
 - recommend a bidding process
 - distribute the Official Statement and bidding documents to potential bidders
 - contact potential underwriters to solicit bids
 - analyze the bids received
 - make a recommendation as to the action to be taken by the City
 - prepare the final schedule of principal and interest payment requirements based on the interest rates established through the public sale
- Private placement or negotiated sale activities would include:
 - assess the soundness of proposed financing structures presented by the underwriter(s)
 - represent the City in negotiations with the underwriter(s) on key points including
 - structure,
 - market timing
 - marketing strategy
 - pricing terms
 - interest rates
 - appropriate compensation for underwriters, and related matters
 - verify all significant calculations by producing our own set of numbers independent of the underwriter's

- evaluate the proposed bond pricing utilizing various resources to ensure that the City receives “fair market” interest rates, including comparable market scales and market demand information for the bonds and any other products proposed for sale
- Compute the bond yield as defined by federal regulations
- Assist the City with the delivery and re-investment of the proceeds of the bonds, payment of issuance costs, and matters related to the closing of the bond issue
- Prepare a post-sale analysis that documents the results of the sale and contains final cash flows, comparisons to comparable deals in the market, a summary of the essential terms of the offering and information on market conditions at the time of sale
- Follow up with City on post-issuance matters and remain as point of contact for follow-up as may be needed or desired

SELECT CASE STUDIES

The case studies on the following pages illustrate KTS’s understanding and belief that infrastructure financing and economic development strategies necessary to achieve the desired outcomes of our clients represent a holistic, comprehensive approach to achieving success. KTS personnel pride ourselves on not being “cookie cutter” or doing the same type of deal over and over again. There are always reasons to develop new and ingenious approaches to our individual clients’ specific circumstances and not simply “reuse the same set of deal documents”. This is particularly true regarding our recent development of a new approach to issuing LRBs in the capital markets to refinance UALs. KTS has developed a process whereby we assemble discrete properties and assign proper market valuations to them in order to reduce the impact of unnecessarily encumbering multiple City assets. Where other firms and investment banks traditionally require a city to pledge an entire category or comprehensive set of assets, KTS is able to pare down the number of properties by doing the real estate evaluation that underlies a true “lease./leaseback” transaction to satisfy the requirements of Bond Counsel. KTS’s status as an IRMA means we are fully qualified and authorized to work with the City to structure a comprehensive security structure that can utilize the other disciplines present across the greater Kosmont operations. We are uniquely qualified to develop a financing structure that can generate pension cost savings through the refinancing of the City’s UAL or, after further investigation and analysis, develop other approaches to reduce pension costs as may ultimately be deemed more appropriate or advantageous to the City.

We believe no other IRMA has the unique and comprehensive set of capabilities and expertise to assemble such a novel, comprehensive and efficient security structure that can also maintain the integrity of the City’s asset pool for potential use as needed on future financings. This sort of ingenuity and multi-disciplined approach is where KTS and the entire Kosmont operation thrives and how we can best serve the needs of the City of South El Monte over any other IRMA.

CITY OF REDONDO BEACH: *Municipal Advisory Services and Economic, Fiscal and Real Estate Advisory*

\$226,180,000 Lease Revenue (Pension) Bonds, Series 2021A (Federally Taxable)

Like many public agencies throughout the country, the City of Redondo Beach has been facing perennially increasing retirement costs. The largest driver of these cost increases has been increases to the City's Unfunded Accrued Liability ("UAL") to its pension plan provider, the California Public Employees' Retirement System ("CalPERS").

Actuaries determine the amount of resources an agency needs to have in their retirement plan to pay beneficiaries their earned benefits – the Accrued Liability – when they are claimed. The difference between the Accrued Liability and the market value of the investments in an agency's plan is the UAL, which is like a negative balance in a bank account. This amount must be repaid, and CalPERS charges a high rate of interest on this unpaid negative balance.

Taxable municipal interest rates have been substantially lower than the rate CalPERS charges its member agencies for the past few years. In the case of Redondo Beach, the UAL was over \$200 million and annual payments to amortize this UAL were scheduled to increase almost 60% over the next 10 fiscal years.

KTS devised a multipronged approach for the City to access a market-based solution to the steep pension costs faced by the City. KTS proposed that the City issue Lease Revenue Bonds instead of so-called Pension Obligation Bonds, because in California a Pension Obligation Bond issue requires validation by the courts, a lengthy process that can take anywhere from four to six months, subjecting the City to unnecessary market risk.

In order to issue Lease Revenue Bonds, a City must transfer an adequately valued amount of property to a third party (such as the City's Financing Authority) and then lease that property back. In the case of Redondo Beach, assets traditionally used in such transactions were scarce; therefore, using such a traditional approach had the real possibility of exhausting the City's available pool of assets. This would have had the impact of rendering the City incapable of implementing future financing for other projects – such as funding a capital improvement programs – in order to refinance its pension debt.

Because KTS is one of several integrated real estate and economic development firms, we were able to deploy real estate expertise not available to other firm and fashion a lease/leaseback structure underlying the Lease Revenue Bonds that accomplished several key goals: the City's pool of available assets for use in potential future capital financings remained intact, preserving myriad financing options for the City into the future; the City's Lease Revenue Bond rating was confirmed as AA; and the successful refinancing of the pension debt saved the City over \$110 million in pension payments over the next 28 years.

Other Real Estate & Advisory Services

Kosmont has been retained by the City of Redondo Beach since 2007 serving as the real estate and Municipal Advisor to the City on multiple real estate projects and financial transactions. The City of Redondo Beach initially retained Kosmont to develop an Asset Management Plan for the City's pier and harbor area. The area needs revitalization and cohesive strategies to encourage and foster development by leveraging public and private resources. Following an in-depth fiscal analysis of the City and the waterfront special district funds, Kosmont assisted the City in drafting a Business Plan for the area, which was ultimately adopted by the City. Kosmont's recommendations and strategies are now being implemented to promote and accelerate revitalization of the area.

Waterfront Revitalization: Kosmont subsequently assisted in the implementation of the Asset Management Plan, which included a fiscal and economic impact analysis, to derive a series of policies for the management and redevelopment of the leaseholds on the 150 acres that comprise the Redondo Beach Pier and surrounding waterfront district. Kosmont developed strategies for encouraging business investment and assisted in the determination of optimum use and tenant mixes to achieve the City's revenue and revitalization goals. As part of the implementation of the Asset Management Plan, Kosmont completed negotiations for the Shade Hotel (Zisli Group), a luxury boutique hotel developed on land owned by the City that opened in 2016.

Pier Plaza & International Boardwalk: Kosmont served as the City's broker for the acquisition of Pier Plaza and International Boardwalk as part of the revitalization of the Pier and Waterfront area. Acquisition is core to City's economic development strategy of aggregating leaseholds to support the overall revitalization on the waterfront. Kosmont also structured and closed \$11.1 Million in lease-leaseback financing (105% financing) for the City's acquisition of the two properties. The financing was tailored for the City's varied short, intermediate, and long-term goals for redevelopment of the properties and included a low variable interest rate, a moderate amortization term, and a swap to fix the interest rate in the near term. KTS served as the City's Municipal Advisor to convert this obligation – originally issued to be a short-term, flexible financing vehicle – into a fully-amortizing, 30-year obligation that closed in early 2019, as described below.

Redondo Beach Marina: Kosmont served as the City's broker for the acquisition of the Redondo Beach Marina as part of the revitalization of the Pier and Waterfront area. As part of the acquisition Kosmont also served as Municipal Advisor to the City and structured and closed lease-leaseback financing totaling \$12.5 million (101% financing). The financing was tailored for the City's varied short, intermediate, and long-term goals for redevelopment of the property. KTS also served as the City's as Municipal Advisor to convert this obligation – originally issued to be a short-term, flexible financing vehicle – into a fully-amortizing, 30-year obligation that closed in early 2019, as described below.

Marine Avenue Hotels Real Estate Advisory (TOD): Kosmont served as Municipal Advisor to the City to identify funding sources and negotiate a lease-leaseback structure to fund the development of three hotels (Hilton Garden Inn, Marriott Courtyard, and Homewood Suites) within the City. Kosmont structured a unique pledge of future city revenues as a backstop to help underwrite financing to make the 503-room project feasible for the developer and the City. The Hilton Garden Inn and Courtyard Marriott opened in 2014, and the Homewood Suites by Hilton opened in 2017.

AES Power Plant Reuse: In 2016, Kosmont was retained to prepare numerous reuse valuation analyses, including the fiscal impact of residential, commercial and mixed-use scenarios on the 50-acre former power plant site. Kosmont is currently providing services on an as needed basis including the negotiation of multiple leases, fiscal and financial analysis, and general transactional support pertaining to the development of hotel, office, retail, restaurant and visitor serving amenities within the City. This includes efforts to implement a negotiated and documented \$400 million-dollar waterfront revitalization project that completed the CEQA process in the fall of 2016, which is currently being litigated.

\$28,015,000 Lease Revenue Bonds, 2019 (Federally Taxable)

Once all the requisite properties were assembled and negotiations with various leaseholders and tenants were completed, the City once again engaged KTS as its Independent Registered Municipal Advisor to assist with the issuance of securities to refinance existing leases and acquire new capital. The City was in a position to convert the outstanding variable rate lease/leaseback obligations to long term, permanent financing and also required fresh capital to pay for a settlement and acquisition agreement for the final piece of Waterfront property, a

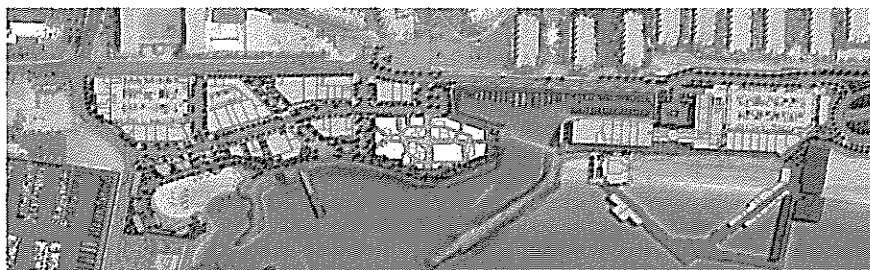
SECTION 3. QUALIFICATIONS AND EXPERIENCE OF THE FIRM

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property previously identified by Kosmont in the original asset management plan as needed to fulfil the City's economic development objectives.

Traditionally, general fund financings might utilize an existing asset of a city to provide the credit to finance a project. This can typically be a city hall or public safety facility, but the City did not have many assets available and had already pledged its other assets to different projects. This presented a challenge to the finance team: devise an appropriate structure that would be able to take advantage of the City's excellent underlying credit rating and do so before the variable-to-fixed rate swaps in place on the outstanding lease/leaseback obligations expired.

KTS devised a strategy whereby the City was able to pledge non-traditional assets, in this case a City street near the project area, as the object of the lease. Although the structure was non-traditional, KTS was able to formulate a credit package that was appealing to the rating agencies and the bond markets as well. The City's \$28 million, Federally Taxable, Lease Revenue Bonds Series 2019A earned a rating of "AA" and a True Interest Cost of 4.39% for the 30-year obligation and closed before the expiration of the swaps. Had the swaps converted back to variable rates under the terms of the previous obligations, the then-current market rates would have reset to rates that were higher than what the City ultimately achieved on the 2019 Bonds, saving the City millions of dollars over the life of the project.



WINNER
of the California
Association for
Local Economic
Development (CALED)
Awards of Excellence Program
*"2017 Award of Excellence for Economic
Development Partnerships – Redondo Beach
Marine Ave Hotels Project"*



CITY OF PLACENTIA:

\$52,950,000 Lease Revenue (Pension) Bonds, Series 2020A (Federally Taxable)

The City of Placentia ("City") had a large unfunded accrued liability ("UAL") with the California Public Employees' Retirement System ("CalPERS") that, per CalPERS policy, was being amortized at 7% interest. The City is also emerging from a period of financial challenges and has been rebuilding its reserves, but it was facing steep increases to its pension costs over the next 10 years that were being driven by the rapidly increasing UAL amortization payments, threatening its ability to continue its financial recovery.

Given the low taxable interest rate environment for municipal bonds in 2020, KTS advised the City that refinancing its UAL debt by selling securities might be an option it should consider. Traditionally, public agencies looking to refinance their pension debt would issue pension obligation bonds ("POBs"), but this raised some issues for the City. For one, Issuing POBs requires a lengthy court validation process and the City intended to sell securities before the 2020 Presidential Election. Additionally, no agency in California had sold POBs before with a bond rating lower than "A". Placentia's general obligation rating at the time was BBB+.

KTS devised a program that enabled the City to access the markets on an accelerated schedule without having to go through a validation process. KTS advised the City that it could consider issuing taxable Lease Revenue Bonds ("LRBs") through its Public Financing Authority instead of POBs. However, this approach also required some creative and careful structuring in order to be successful.

LRBs traditionally utilize public assets that are leased by a city to its financing authority and then leased back for rental payments that are equal to debt service on the bonds. In order to be legal, the rent payments need to represent fair rental value. Furthermore, the rating agencies and investors generally require the assets being leased to be of an "essential" nature, like City Hall or the Police Department. In the City's case, these types of assets were not valuable or new enough to justify the size of the bonds.

Thanks to the integrated operations of KTS and its affiliates, Kosmont Companies and Kosmont Realty, KTS was able to devise a strategy where the City could lease and lease back a number of its park property assets to support LRBs. Critical to this approach was the valuation of these assets and the acceptability of this valuation by bond counsel, the rating agency and investors. Kosmont Companies performed a comprehensive real estate market analysis to determine the value of a portion of the City's park assets (not all of them, which was also critical) that was adequate to support the size of the LRBs.

This comprehensive approach resulted in a successful bond financing that produced several positive outcomes:

- Dramatic reduction in pension costs, saving millions of dollars in future budget expenses
- Leasing only some of the City's park assets preserved the reset of its assets for use in future financings, should the need arise
- Cost savings measures of this financing resulted in an issuer credit rating upgrade for the City from BBB+ to A-
- The LRB structure was more flexible than the POB structure, enabling the City to refinance a pending increase to the UAL created from CalPERS' poor performance in fiscal year 2020; the City set up a Section 115 Trust to pay off the new UAL when it comes online next year
- The City successfully priced its bonds prior to the 2020 Presidential Election
- Per standard practice, LRBs are rated "one notch" below an issuer's credit rating, making this the first BBB+ financing we are aware of issued to repay a UAL

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

\$4,544,000 Pension Obligation Bonds, 2020 (Federally Taxable)

KTS served as Municipal Advisor to the Kensington Police Protection and Community Services District ("District") to refinance its Unfunded Accrued Liability ("UAL") with the California Public Employees' Retirement System ("CalPERS"). The District provides police protection, parks and recreation, and waste management services to the residents of the unincorporated area of Kensington, in Contra Costa County.

KTS was introduced to the District after they reached out to the Special Districts Association seeking information on how to manage rising pension costs. KTS analyzed the District's plan with CalPERS and recognized that an issuance of Pension Obligation Bonds ("POBs") to refinance its UAL as a part of a comprehensive pension management plan would be worthy of consideration by the District.

Since the District is a "special district", it is already authorized under California law to issue Pension Obligation Bonds ("POB") directly without the need for a court validation. This greatly reduced the lead time needed to effectuate a refinancing, and it also presented the District with additional options not always available to larger issuers.

Thanks to the relatively small size of the District's UAL (~\$4.5 million), the District was eligible to utilize a "private placement" method of selling its POBs. However, private lenders usually prefer that the final maturity is not longer than 15 years. While a 15-year POB would generate a lot of aggregate savings, the District's UAL was being amortized over a 25 year period and shortening the repayment term to 15 years would have resulted in higher payment levels than what the District was currently paying.

KTS was able to secure an offer for a 20-year financing from a willing lender at a rate of 3.85%, substantially lower than the 7% being charged by CalPERS. In a private placement scenario, this sort of offer is known as a "rate lock", which means that if the District agrees and decides to undertake the transaction, the rate would be locked in. However, the rate lock would expire in 60 days if the POBs had not closed.

KTS prepared multiple analyses illustrating several different refinancing and repayment options for consideration by the District, including detailing the differences between the private placement offer and the options for a "public offering", which would include the production of an Official Statement and require more time and greater costs to sell the POBs. KTS presented our various analyses and descriptions of the District's options at several public meetings, including meetings of the Finance Commission and Board of Directors. The District's deliberations took place over a two-month period, providing a fully transparent a thorough review of its options before the Board of Directors made its choice to proceed.

The District approved the issuance of the POBs, as well as the newly established Debt Issuance Policy that KTS helped the District produce. KTS then oversaw the successful completion of the transaction before the rate lock expired. The end result is that the District realized a dramatic reduction in the position cost increases it had been facing, and also shortened the repayment period by 5 years, saving even more money in the long run.

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Kosmont Transactions Services, Inc. Recent Municipal Advisory Engagements				
Client	Size of Issue (,000s)	Sale Date	Name of Issue	Type of Issue
<i>City of Lomita</i>	<i>~\$10,000</i>	<i>In progress</i>	<i>UAL Refinance</i>	<i>TBD</i>
<i>City of Maywood</i>	<i>~\$18,000</i>	<i>In progress</i>	<i>Pension Obligation Bonds</i>	<i>General Obligation Bonds</i>
<i>City of Hawaiian Gardens</i>	<i>~\$11,000</i>	<i>In progress</i>	<i>Pension Obligation Bonds</i>	<i>General Obligation Bonds</i>
<i>City of La Verne Enhanced Infrastructure Financing District</i>	<i>~\$4,500</i>	<i>In progress</i>	<i>Tax Increment Financing</i>	<i>Tax Increment Financing</i>
<i>City of Placentia Enhanced Infrastructure Financing District</i>	<i>~\$3,000</i>	<i>In progress</i>	<i>Tax Increment Financing</i>	<i>Tax Increment Financing</i>
Mountain House Financing Authority	\$49,690	9/30/2021	Lease Revenue Bonds (Road Improvement Projects)	Lease Revenue Bonds
City of Lomita	\$6,081	7/15/2021	Refunding Installment Sale Agreement	Revenue Bonds (Private Placement)
City of Redondo Beach*	\$226,180	7/1/2021	Lease Revenue Bonds (UAL Refinance)	Lease Revenue Bonds
San Luis Ranch CFD 2019-1 (FA to Developer)	\$19,660	5/15/2021	Special Tax Bonds	Special Tax Bonds
Imperial County Local Transportation Authority (City of Calexico Portion)	\$7,220	4/1/2021	Measure D Sales Tax Refunding Bonds	Sales Tax Refunding Bonds
City of Placentia	\$3,656	3/3/2021	Installment Purchase Agreement	Gas Tax Refunding Bonds (Private Placement)
City of Placentia and Successor Agency	N/A	In progress	Annual Continuing Disclosure	Annual Continuing Disclosure
City of Calexico and Successor Agency	N/A	In progress	Annual Continuing Disclosure	Annual Continuing Disclosure
Mountain House Community Services District	N/A	In progress	Annual Continuing Disclosure	Annual Continuing Disclosure
City of Twentynine Palms and Successor Agency	N/A	In progress	Annual Continuing Disclosure	Annual Continuing Disclosure
City of Redondo Beach	N/A	In progress	Annual Continuing Disclosure	Annual Continuing Disclosure
Merced Designated Local Authority	N/A	In progress	Annual Continuing Disclosure for two (2) project areas	Annual Continuing Disclosure

SECTION 3.
QUALIFICATIONS AND EXPERIENCE OF
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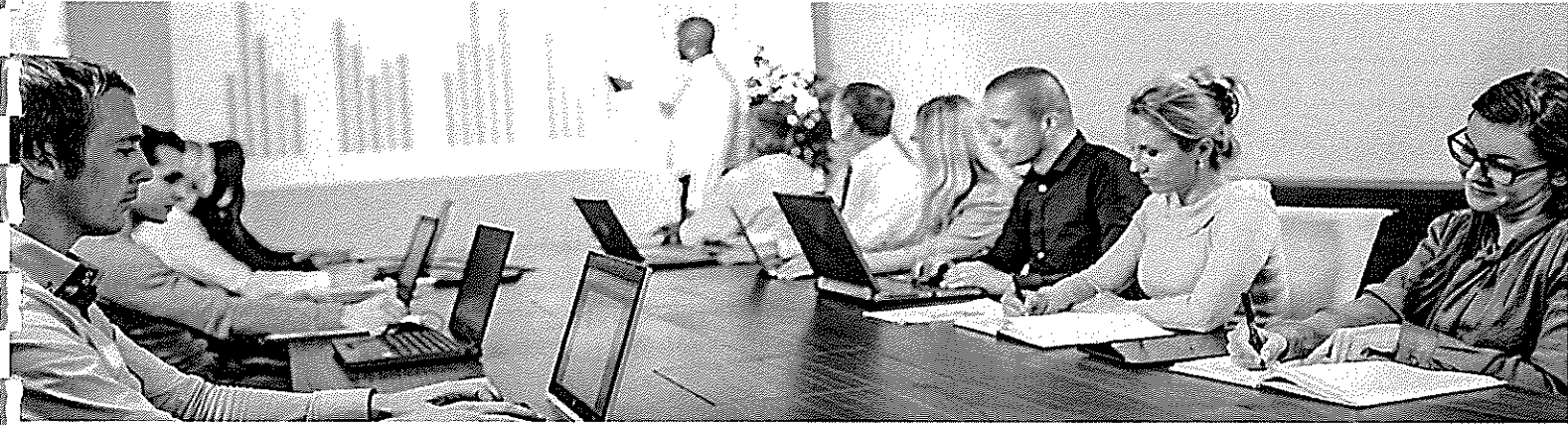
Client	Size of Issue (,000s)	Sale Date	Name of Issue	Type of Issue
Oxnard Fire Station, LLC (a not-for-profit)	N/A	In progress	Annual Continuing Disclosure	Annual Continuing Disclosure
Placentia Public Financing Authority	\$52,950	11/12/2020	Lease Revenue Bonds (UAL Refinance)	Lease Revenue Bonds
Mountain House Financing Authority	\$91,325	10/29/2020	Utility Revenue Bonds, Series A	Revenue Bonds
Mountain House Financing Authority	\$37,300	10/29/2020	Subordinate Utility Revenue Bonds, Series B	Subordinate Revenue Bonds
San Dimas Housing Authority	\$2,318	10/29/2020	Mobile Home Revenue Refunding Bonds	Revenue Bonds (Private Placement)
City of Calexico	\$16,255	7/30/2020	Water Revenue Bonds	Revenue Bonds
City of Calexico	\$22,715	7/30/2020	Wastewater Revenue Bonds	Revenue Bonds
Kensington Police Protection and Community Services District	\$4,544	6/11/2020	Pension Obligation Bonds	General Obligation Bonds (Private Placement)
City of Carson	\$108,020	6/10/2020	Pension Obligation Bonds	General Obligation Bonds
City of San Dimas	\$3,258	3/1/2020	Lease Agreement	Lease Revenue Bond (Private Placement)
Calexico Redevelopment Successor Agency	\$11,085	1/22/2020	Tax Allocation Refunding Bonds	Tax Allocation Bonds
Redondo Beach Community Financing Authority	\$28,015	2/26/2019	Lease Revenue Bonds	Lease Revenue Bonds
Imperial County Local Transportation Authority	\$12,375	9/13/2018	Measure D Sales Tax Revenue Bonds	Revenue Bonds



SECTION 4. QUALIFICATIONS AND EXPERIENCE OF PROPOSED STAFF

SECTION 4. QUALIFICATIONS & EXPERIENCE OF PROPOSED STAFF

CITY OF SOUTH EL MONTE
Proposal for Financial Advisory Services



As mentioned herein, KTS is one of three fully integrated firms that have been advising clients for 35 years who conduct business within the nexus of finance, real estate and economic development. The genesis of KTS as a distinct Municipal Advisory firm can be traced to the implementation of regulations governing “municipal advisory” activities, specifically the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The KTS Team is comprised of well-rounded, seasoned professionals with an exemplary skillset and the expertise to deliver first class services. Drawn from diverse backgrounds such as public administration, Municipal Advisory, investment banking, and economic and fiscal consulting, KTS professionals are well equipped to provide the necessary knowledge, understanding and capabilities to achieve successful results for our clients.

We have the in-house experience and know-how to properly anticipate and manage the rapidly changing dynamics and demands of today’s capital markets. We build credits, structure revenue and security pledges, identify opportunities for economies of scale, understand current investor demands and manage the “transactional” service items to effectuate a successful bond sale and closing.

The Municipal Advisory Professionals who will be primarily responsible for overseeing the City’s debt issuance activities will be: Larry Kosmont, President of KTS and CEO of Kosmont Companies, whose career spans over 40 years and encompasses structuring and implementation of billions of dollars of public/private real estate and public finance transactions; and Dan Massiello, Senior Vice President and Chief Compliance Officer of KTS - who will manage the day-to-day operation of any financing – has 27 years of professional experience as both a Municipal Advisor and an Investment Banker in the public securities industry structuring over \$4 billion of municipal securities.

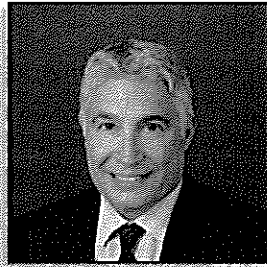
The KTS team member resumes and qualifications for Mr. Kosmont, Mr. Massiello and additional key team members may be found on the following pages.

The KTS Team is enthusiastic, ready, and available to provide these services when called upon.

SECTION 4. QUALIFICATIONS & EXPERIENCE OF PROPOSED STAFF

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Larry J. Kosmont, *Project Principal & Executive Oversight*



Mr. Larry J. Kosmont, CRE®, President of Kosmont Transactions Services, Inc. Mr. Kosmont's distinguished career encompasses public/private financial structuring and implementation of real estate and public finance transactions. He has an extensive track record as a public finance advisor and public/private real estate consultant. Mr. Kosmont has assisted hundreds of local government agencies in public finance and real estate matters ranging from large-scale economic development programs to site-specific strategies and projects. Mr. Kosmont has successfully guided numerous projects in the process of obtaining public approvals, structuring deal terms, and

securing capital and infrastructure financing supported by a variety of pledged resources and underlying assets, ranging from taxes (lease revenues, special tax, sales tax, tax increment, general obligation) to general fund operations (certificates of participation) to project revenues (public/private-partnerships (P3), nonprofit, utilities, parking operations, and other).

Mr. Kosmont has served in the roles of City Manager, Interim City Administrator, Director of Community Development, and Redevelopment Director in the cities of Montebello, Santa Monica, Seal Beach, Bell Gardens, and Burbank.

LICENSES/AFFILIATIONS: Mr. Kosmont is a Municipal Advisor Principal having achieved the MSRB Series 54 professional qualification and is duly registered with the U.S. Securities and Exchange Commission. Mr. Kosmont is also a licensed real estate broker in California (DRE No. 01182660), a designated Counselor of Real Estate, CRE®, and has served on or is serving on:

- Pepperdine University, Graziadio School of Business - Board of Directors
- Propmodo – Editorial Advisory Board (Smart Cities)
- USC Executive Education – Board of Directors
- Westside Neighborhood School - Board of Directors
- State Commissioner – California Economic Development Commission
- Metropolitan Water District (MWD) - Board of Directors (represented City of Los Angeles)
- Commissioner, City of Los Angeles - Industrial Development Authority
- City of Manhattan Beach Economic Development Advisory Council – Chairman
- California Association of Local Economic Development (CALED) – Board Advisor
- Los Angeles Business Federation (BIZFED) - Board Member

EDUCATION: Mr. Kosmont holds a Masters of Public Administration Degree from the University of Southern California and a B.A. in Political Science from the State University of New York – Binghamton.

AWARDS:

- Nominated as Commercial Real Estate Visionary: Trends, Updates and 2021
- Recipient of the California Business Properties Association (CBPA) Champion of the Industry Award
- Recipient of the John H. Nail Award from the League of CA Cities for State's Outstanding Assistant City Manager

CONTACT INFO:

Cell: (213) 507-9000

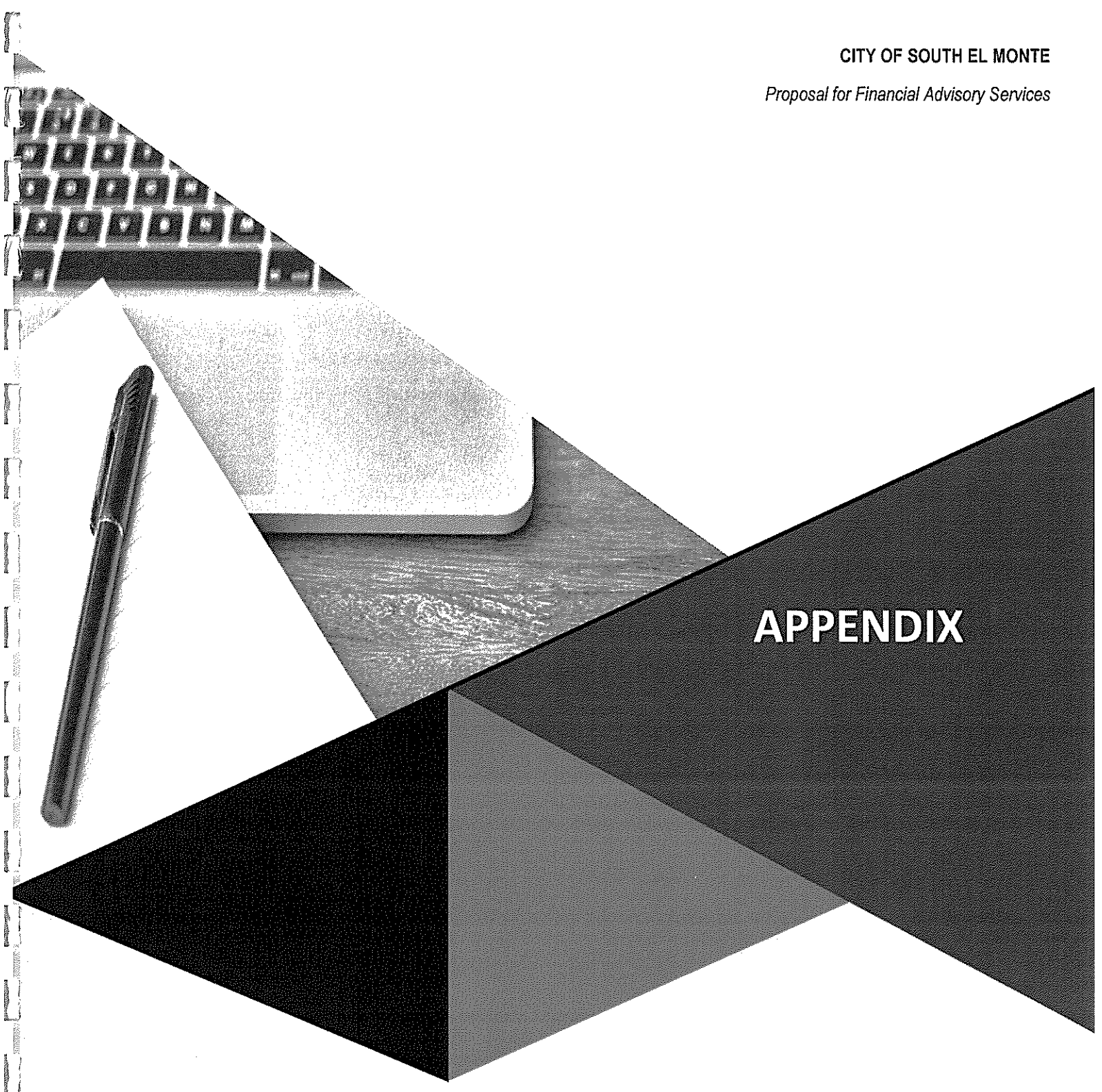
Email: lkosmont@KosmontTransactions.com



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www.KosmontTransactions.com



SECTION 5. REFERENCES



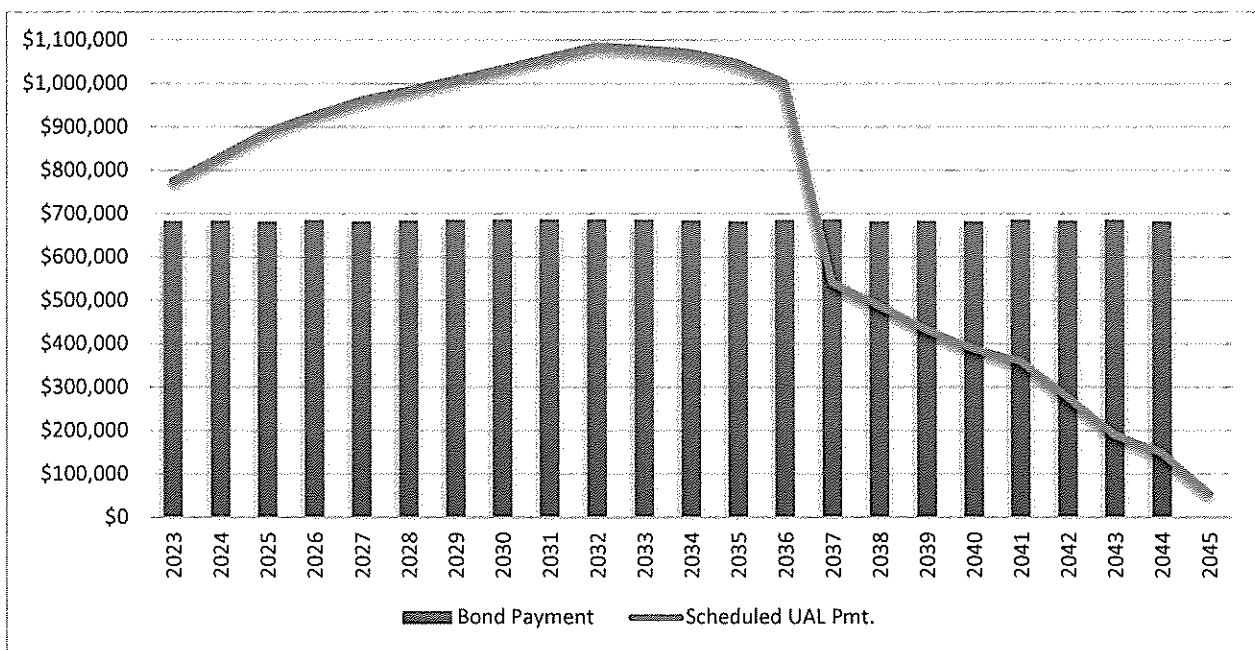
APPENDIX

POTENTIAL FINANCING STRUCTURES

Refinancing the UAL debt will give the City many options for custom-tailoring how it manages a portion of its overall pension expenses. Greater up-front savings, greater long-term savings, reduced repayment term (length), slightly increasing payments over time...the City has numerous options for restructuring its payments and KTS is the right firm to assist with that decision making process. Below we present two popular repayment strategies ("Level" and "Hybrid") under two issue scenarios (Public Offering and Private Placement) as a starting point for further structuring discussions.

Scenario 1: Level Debt Service – Public Offering

Like most large liabilities, there is an argument to made for making the same payment each year for the remaining repayment term. When most people take out a mortgage, they structure level payments, not drastically increasing payments for 10 years followed by years of declining payments in the latter years. Flattening out the projected repayment structure of the current UAL would create a consistent line item in the budget and create room for other City spending priorities, as well as capacity to handle new UALs that may come along.



PROS

- Generates most near- and mid-term budget relief
- Establishes permanent level repayment below FY23 amount of \$776,125
- Shifts portion of repayment to later years where dollars "cost less"

CONS

- Accrues more interest costs than other repayment structures that repay principal more quickly
- Shifts portion of repayment to later years where previously there were lower payments ("kicks the can down the road")

APPENDIX A PRELIMINARY UAL REFINANCING ANALYSES

CITY OF SOUTH EL MONTE
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Scenario 1: Level Debt Service – Public Offering (cont.)

City of South El Monte

Proposed 2021 Refinancing UAL, Level

Sources & Uses

Dated 02/01/2022 | Delivered 02/01/2022

Sources Of Funds

Par Amount of Bonds	\$10,565,000.00
Total Sources	\$10,565,000.00

Uses Of Funds

Total Underwriter's Discount (0.750%)	79,237.50
Costs of Issuance	200,000.00
Deposit to Debt Service Reserve Fund (DSRF)	682,562.50
Deposit to Current Refunding Fund	9,601,214.00
Rounding Amount	1,986.00
Total Uses	\$10,565,000.00

Debt Service Comparison

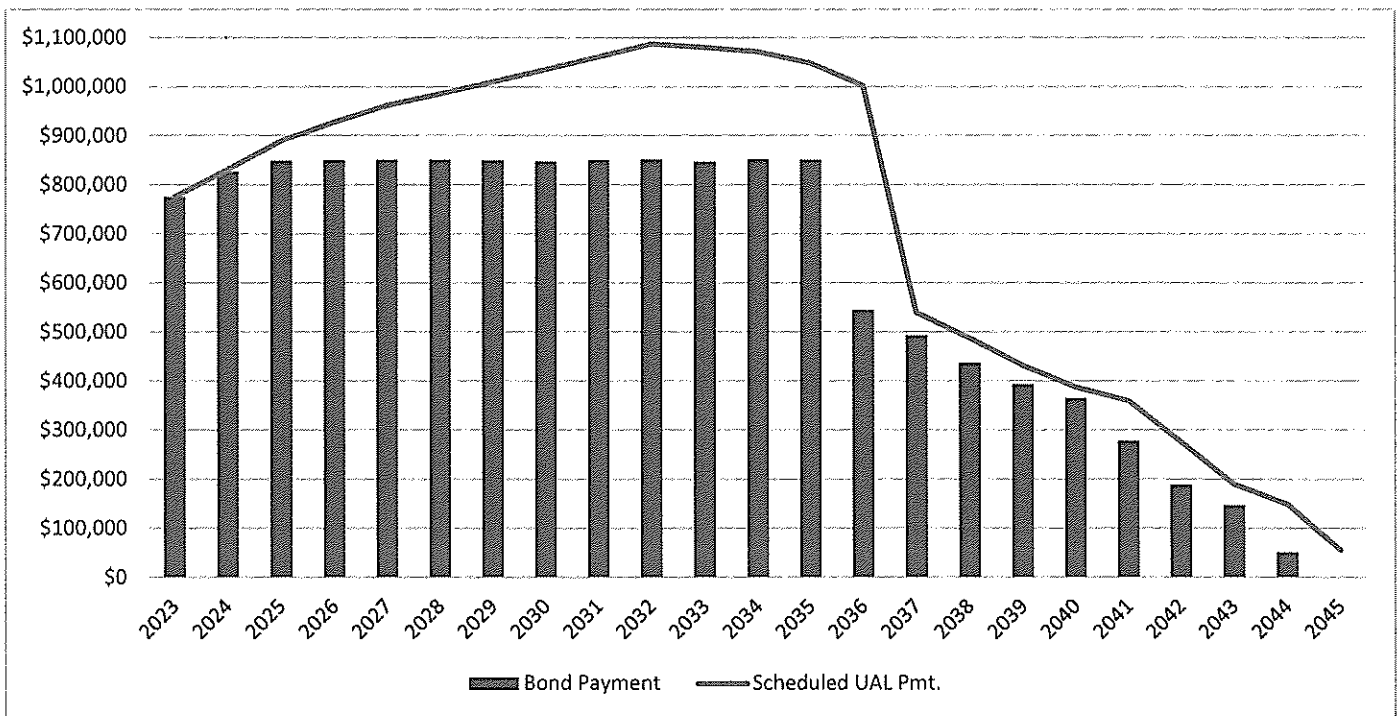
Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
06/30/2023	\$682,766.67	-	\$682,766.67	\$776,125.00	\$93,358.33
06/30/2024	683,843.75	-	683,843.75	831,833.00	147,989.25
06/30/2025	682,218.75	-	682,218.75	890,424.00	208,205.25
06/30/2026	685,125.00	-	685,125.00	928,348.00	243,223.00
06/30/2027	682,562.50	-	682,562.50	962,409.00	279,846.50
06/30/2028	684,531.25	-	684,531.25	986,138.00	301,606.75
06/30/2029	685,937.50	-	685,937.50	1,010,521.00	324,583.50
06/30/2030	686,781.25	-	686,781.25	1,035,573.00	348,791.75
06/30/2031	687,062.50	-	687,062.50	1,061,316.00	374,253.50
06/30/2032	686,781.25	-	686,781.25	1,087,763.00	400,981.75
06/30/2033	685,937.50	-	685,937.50	1,080,430.00	394,492.50
06/30/2034	684,531.25	-	684,531.25	1,071,946.00	387,414.75
06/30/2035	682,562.50	-	682,562.50	1,048,878.00	366,315.50
06/30/2036	684,937.50	-	684,937.50	1,003,284.00	318,346.50
06/30/2037	686,562.50	-	686,562.50	540,725.00	(145,837.50)
06/30/2038	682,531.25	-	682,531.25	488,198.00	(194,333.25)
06/30/2039	682,843.75	-	682,843.75	432,455.00	(250,388.75)
06/30/2040	682,406.25	-	682,406.25	388,664.00	(293,742.25)
06/30/2041	686,125.00	-	686,125.00	360,102.00	(326,023.00)
06/30/2042	684,000.00	-	684,000.00	276,533.00	(407,467.00)
06/30/2043	686,031.25	-	686,031.25	190,338.00	(495,693.25)
06/30/2044	682,218.75	-	682,218.75	149,031.00	(533,187.75)
06/30/2045	682,562.50	(682,562.50)	-	56,030.00	56,030.00
Total	\$15,740,860.42	(682,562.50)	\$15,058,297.92	\$16,657,064.00	\$1,598,766.08

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,603,444.04
Effects of changes in DSR investments	278,848.16
Net PV Cashflow Savings @ 4.026%(AIC)	1,882,292.20
Contingency or Rounding Amount	1,986.00
Net Present Value Benefit	\$1,884,278.20
Net PV Benefit / \$9,601,214 Refunded Principal	19.625%

Scenario 2: Level Debt Service, No Higher Payments

The largest pension expense increases the City is facing will occur over the next 10 years with high payments in place for the next 15 before they begin to taper off. The structure below presents an opportunity to reduce the amount of those increases, while also not “kicking the can down the road” and adding large amounts of debt payments in years where less debt payments existed before. This “hybrid” repayment model allows the City to manage pending pension cost increases while paying down the UAL debt in an accelerated fashion but requires the most budget increases over the next three years. This approach produces greater absolute savings than Scenario 1 over the remaining repayment term, but also produces the least amount of Net Present Value Savings of any scenario presented herein.



PROS

- Establishes permanent level repayment amount after initial three years of increases
- Greater total budget savings than Level Payment approach results from quicker repayment of principal
- Does not increase payments in future years where there were previously lower payments
- Creates balance between accelerated repayment of principal and creating predictable budget line

CONS

- Pension costs continue to increase over the next three years at essentially the same rate as current UAL amortization schedule before leveling off
- Quicker repayment of principal means significantly less near- and mid-term budget savings
- Produces least amount of NPV Savings

APPENDIX A PRELIMINARY UAL REFINANCING ANALYSES

CITY OF SOUTH EL MONTE
Proposal for Financial Advisory Services

Scenario 2: Level Debt Service, No Higher Payments (cont.)

City of South El Monte

Proposed 2021 UAL Refinancing, Level

Sources & Uses

Dated 02/01/2022 | Delivered 02/01/2022

Sources Of Funds

Par Amount of Bonds	\$10,565,000.00
Total Sources	\$10,565,000.00

Uses Of Funds

Total Underwriter's Discount (0.750%)	79,237.50
Costs of Issuance	200,000.00
Deposit to Debt Service Reserve Fund (DSRF)	682,562.50
Deposit to Current Refunding Fund	9,601,214.00
Rounding Amount	1,986.00

Total Uses	\$10,565,000.00
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Debt Service Comparison

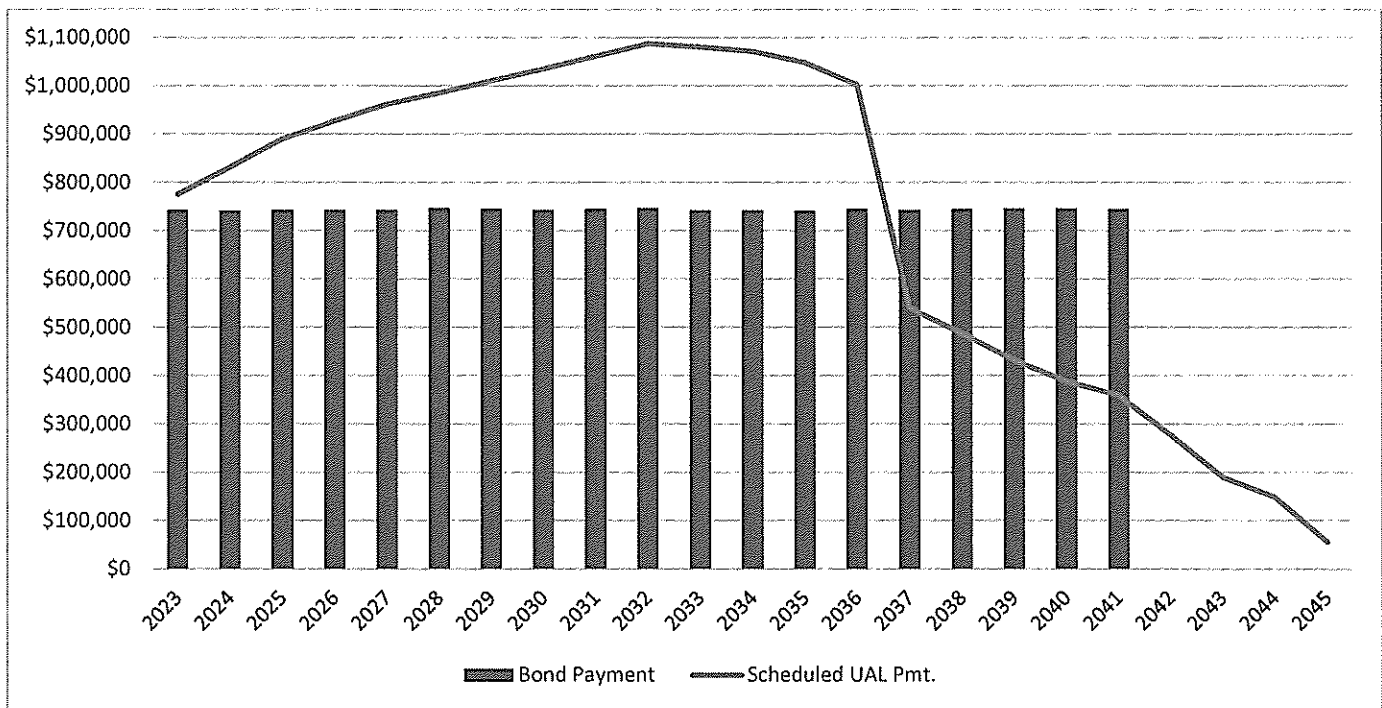
Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
06/30/2023	\$775,379.17	-	\$775,379.17	\$776,125.00	\$745.83
06/30/2024	827,250.00	-	827,250.00	831,833.00	4,583.00
06/30/2025	849,625.00	-	849,625.00	890,424.00	40,799.00
06/30/2026	850,875.00	-	850,875.00	928,348.00	77,473.00
06/30/2027	851,375.00	-	851,375.00	962,409.00	111,034.00
06/30/2028	851,125.00	-	851,125.00	986,138.00	135,013.00
06/30/2029	850,125.00	-	850,125.00	1,010,521.00	160,396.00
06/30/2030	848,375.00	-	848,375.00	1,035,573.00	187,198.00
06/30/2031	850,781.25	-	850,781.25	1,061,316.00	210,534.75
06/30/2032	852,250.00	-	852,250.00	1,087,763.00	235,513.00
06/30/2033	847,875.00	-	847,875.00	1,080,430.00	232,555.00
06/30/2034	852,562.50	-	852,562.50	1,071,946.00	219,383.50
06/30/2035	851,218.75	-	851,218.75	1,048,878.00	197,659.25
06/30/2036	848,937.50	(303,875.00)	545,062.50	1,003,284.00	458,221.50
06/30/2037	536,625.00	(43,437.50)	493,187.50	540,725.00	47,537.50
06/30/2038	485,406.25	(47,781.25)	437,625.00	488,198.00	50,573.00
06/30/2039	430,593.75	(37,031.25)	393,562.50	432,455.00	38,892.50
06/30/2040	387,093.75	(21,468.75)	365,625.00	388,664.00	23,039.00
06/30/2041	359,437.50	(81,187.50)	278,250.00	360,102.00	81,852.00
06/30/2042	273,468.75	(84,781.25)	188,687.50	276,533.00	87,845.50
06/30/2043	185,406.25	(38,281.25)	147,125.00	190,338.00	43,213.00
06/30/2044	144,500.00	(92,625.00)	51,875.00	149,031.00	97,156.00
06/30/2045	50,937.50	(50,937.50)	-	56,030.00	56,030.00
Total	\$14,661,222.92	(801,406.25)	\$13,859,816.67	\$16,657,064.00	\$2,797,247.33

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,424,626.11
Effects of changes in DSR investments	408,633.29
Net PV Cashflow Savings @ 4.091%(AIC)	1,833,259.40
Contingency or Rounding Amount	2,242.25
Net Present Value Benefit	\$1,835,501.65
Net PV Benefit / \$9,601,214 Refunded Principal	19.117%

Scenario 3: Level Debt Service, Private Placement

Scenario 3 is similar to Scenario 1 except the repayment term is shorter – limited to 20 years – because this approach contemplates a “private placement” bond sale and repayment terms longer than 20 years are generally not available. This approach produces the most Net Present Value Savings.



PROS

- Generates substantial near- and mid-term budget relief
- Establishes permanent level repayment below FY23 amount of \$776,125
- Shifts portion of repayment to later years where dollars “cost less”
- Produce greatest amount of NPV Savings

CONS

- A level structure would incur more interest costs than other repayment structures that repay principal more quickly
- Shifts portion of repayment to later years where previously there were lower payments (“kicks the can down the road”)
- Does not generate maximum near- and mid-term budget savings

Scenario 3: Level Debt Service, Private Placement (cont.)

City of South El Monte

Proposed 2021 UAL Refinancing, Level, Private Placement

Sources & Uses

Dated 02/01/2022 | Delivered 02/01/2022

Sources Of Funds

Par Amount of Bonds	\$10,495,000.00
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Total Sources

\$10,495,000.00

Uses Of Funds

Costs of Issuance	150,000.00
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Deposit to Debt Service Reserve Fund (DSRF)	743,687.50
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Deposit to Current Refunding Fund	9,601,214.00
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Rounding Amount	98.50
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Total Uses

\$10,495,000.00

Debt Service Comparison

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
06/30/2023	\$744,039.58	-	\$744,039.58	\$776,125.00	\$32,085.42
06/30/2024	742,562.50	-	742,562.50	831,833.00	89,270.50
06/30/2025	743,406.25	-	743,406.25	890,424.00	147,017.75
06/30/2026	743,687.50	-	743,687.50	928,348.00	184,660.50
06/30/2027	743,406.25	-	743,406.25	962,409.00	219,002.75
06/30/2028	747,468.75	-	747,468.75	986,138.00	238,669.25
06/30/2029	745,875.00	-	745,875.00	1,010,521.00	264,646.00
06/30/2030	743,718.75	-	743,718.75	1,035,573.00	291,854.25
06/30/2031	745,906.25	-	745,906.25	1,061,316.00	315,409.75
06/30/2032	747,343.75	-	747,343.75	1,087,763.00	340,419.25
06/30/2033	743,125.00	-	743,125.00	1,080,430.00	337,305.00
06/30/2034	743,250.00	-	743,250.00	1,071,946.00	328,696.00
06/30/2035	742,625.00	-	742,625.00	1,048,878.00	306,253.00
06/30/2036	746,156.25	-	746,156.25	1,003,284.00	257,127.75
06/30/2037	743,843.75	-	743,843.75	540,725.00	(203,118.75)
06/30/2038	745,687.50	-	745,687.50	488,198.00	(257,489.50)
06/30/2039	746,593.75	-	746,593.75	432,455.00	(314,138.75)
06/30/2040	746,562.50	-	746,562.50	388,664.00	(357,898.50)
06/30/2041	745,593.75	-	745,593.75	360,102.00	(385,491.75)
06/30/2042	743,687.50	(743,687.50)	-	276,533.00	276,533.00
06/30/2043	-	-	-	190,338.00	190,338.00
06/30/2044	-	-	-	149,031.00	149,031.00
06/30/2045	-	-	-	56,030.00	56,030.00
Total	\$14,894,539.58	(743,687.50)	\$14,150,852.08	\$16,657,064.00	\$2,506,211.92

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,646,056.09
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Effects of changes in DSR investments	349,644.32
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Net PV Cashflow Savings @ 3.917%(AIC)	1,995,700.41
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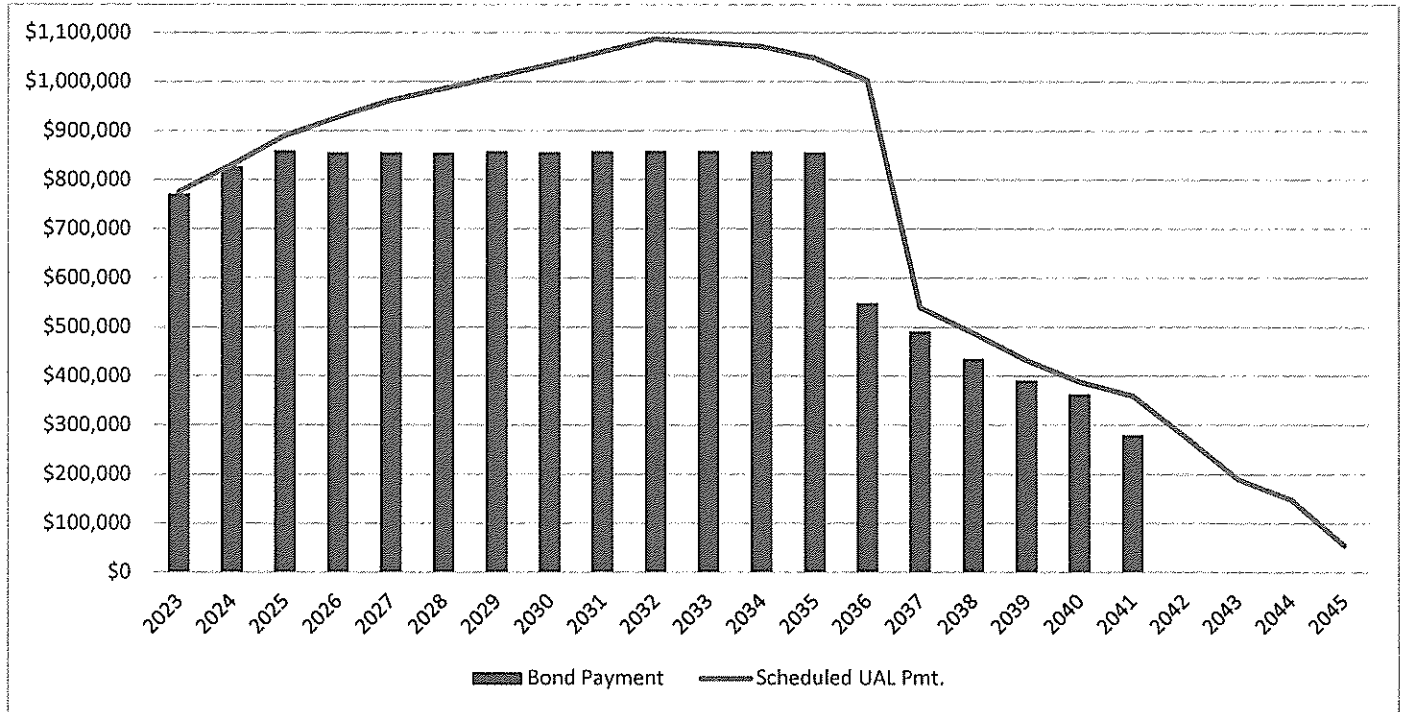
Contingency or Rounding Amount	98.50
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Net Present Value Benefit	\$1,995,798.91
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Net PV Benefit / \$9,601,214 Refunded Principal	20.787%
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Scenario 4: Level Debt Service, No Higher Payments, Private Placement

Scenario 4 is similar to Scenario 2 whereby annual payments increase before leveling off and then decline like the current CalPERS amortization schedule, except the overall term is shorter like in Scenario 3 because this is a Private Placement. Similar to Scenario 2, this approach requires the most budget increases in the near term (for three years) but it produces the most budget savings over the term of the bonds.



PROS

- Establishes permanent level repayment amount after initial three years of increases
- Does not increase payments in future years where they were previously lower
- Creates balance between repayment of principal and creating predictable budget line
- Produces greatest amount of budget savings over time of all Scenarios

CONS

- Pension costs continue to increase over the next three years at essentially the same rate as current UAL amortization schedule before leveling off
- Produces greatest budget increases in the near term of the four Scenarios presented
- Does not create maximum near- to mid-term budget relief possible
- Produces the second lowest NPV Savings of all Scenarios

APPENDIX A PRELIMINARY UAL REFINANCING ANALYSES

CITY OF SOUTH EL MONTE
Proposal for Financial Advisory Services

Scenario 4: Level Debt Service, No Higher Payments, Private Placement (cont.)

City of South El Monte

Proposed 2021 UAL Refinancing, Hybrid, Private Placement

Sources & Uses

Dated 02/01/2022 | Delivered 02/01/2022

Sources Of Funds

Par Amount of Bonds \$10,570,000.00

Total Sources \$10,570,000.00

Uses Of Funds

Costs of Issuance 150,000.00

Deposit to Debt Service Reserve Fund (DSRF) 816,250.00

Deposit to Current Refunding Fund 9,601,214.00

Rounding Amount 2,536.00

Total Uses \$10,570,000.00

Debt Service Comparison

Date	Total P+I	DSR	Net New D/S	Old Net D/S	Savings
06/30/2023	\$771,258.33	-	\$771,258.33	\$776,125.00	\$4,866.67
06/30/2024	827,843.75	-	827,843.75	831,833.00	3,989.25
06/30/2025	859,843.75	-	859,843.75	890,424.00	30,580.25
06/30/2026	855,625.00	-	855,625.00	928,348.00	72,723.00
06/30/2027	855,750.00	-	855,750.00	962,409.00	106,659.00
06/30/2028	855,125.00	-	855,125.00	986,138.00	131,013.00
06/30/2029	858,656.25	-	858,656.25	1,010,521.00	151,864.75
06/30/2030	856,343.75	-	856,343.75	1,035,573.00	179,229.25
06/30/2031	858,187.50	-	858,187.50	1,061,316.00	203,128.50
06/30/2032	859,093.75	-	859,093.75	1,087,763.00	228,669.25
06/30/2033	859,062.50	-	859,062.50	1,080,430.00	221,367.50
06/30/2034	858,093.75	-	858,093.75	1,071,946.00	213,852.25
06/30/2035	856,187.50	-	856,187.50	1,048,878.00	192,690.50
06/30/2036	858,250.00	(309,250.00)	549,000.00	1,003,284.00	454,284.00
06/30/2037	540,281.25	(48,718.75)	491,562.50	540,725.00	49,162.50
06/30/2038	483,593.75	(47,968.75)	435,625.00	488,198.00	52,573.00
06/30/2039	428,406.25	(37,218.75)	391,187.50	432,455.00	41,267.50
06/30/2040	384,531.25	(21,656.25)	362,875.00	388,664.00	25,789.00
06/30/2041	356,500.00	(76,375.00)	280,125.00	360,102.00	79,977.00
06/30/2042	275,062.50	(275,062.50)	-	276,533.00	276,533.00
06/30/2043	-	-	-	190,338.00	190,338.00
06/30/2044	-	-	-	149,031.00	149,031.00
06/30/2045	-	-	-	56,030.00	56,030.00
Total	\$14,357,695.83	(816,250.00)	\$13,541,445.83	\$16,657,064.00	\$3,115,618.17

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,551,131.28
Effects of changes in DSR investments	433,490.81
Net PV Cashflow Savings @ 3.938%(AIC)	1,984,622.10
Contingency or Rounding Amount	2,536.00
Net Present Value Benefit	\$1,987,158.10
Net PV Benefit / \$9,601,214 Refunded Principal	20.697%

APPENDIX B

CERTIFICATION OF PROPOSAL TO THE CITY

1. The undersigned hereby submits its proposal and, by doing so, agrees to furnish services to the City in accordance with the Request for Proposals (RFP), dated September 15, 2021 and to be bound by the terms and conditions of the RFP.
2. This firm has carefully reviewed its proposal and understands and agrees that the City is not responsible for any errors or omissions on the part of the firm and that the firm is responsible for them.
3. It is understood and agreed that the City reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by the City.
4. The proposal includes all the commentary, figures and data required by the Requests for Proposal dated September 15, 2021.
5. This firm has carefully read and fully understands all the items contained in Request for Proposal for Insurance Brokerage Services.
6. The proposal by this firm is an irrevocable offer; it shall be valid for 120 days from October 21, 2021 unless both parties mutually agree to extend the date.

Name of firm: Kosmont Transactions Services, Inc.

By: 
(Authorized Signature)

Type Name: Larry Kosmont

Title: CEO

Date: 10/21/21

Prepared For
CITY OF SOUTH EL MONTE

Submitted on
October 21, 2021

FEE PROPOSAL ONLY
ACCOMPANIES
PROPOSAL FOR
FINANCIAL ADVISORY
SERVICES



Photo Credit: cityofsouthelmonte.org



Prepared By
Kosmont Transactions Services, Inc.
1601 N. Sepulveda Blvd. #382
Manhattan Beach, CA 90266
Main Office: (424) 297-1070



October 21, 2021

Mr. William Fox
Sr. Management Analyst
City of South El Monte
1415 N. Santa Anita Ave.
South El Monte, CA 91733

**Re: City of South El Monte
Request for Proposals for Financial Advisory Services
FEE PROPOSAL**

Dear Mr. Fox and Evaluation Committee:

Kosmont Transactions Services, Inc. ("KTS") hereby submits this separate fee proposal concurrently with the submittal of our primary Proposal for the above requested services.

We hope the City will view our primary Proposal and this Fee Proposal as supporting the conclusion that KTS is exceptionally qualified, capable, and the best firm to deliver the requested services.

If selected, we will be available immediately to provide our personalized services to the City of South El Monte.

We are available to discuss further at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry J. Kosmont". The signature is fluid and cursive, with the first name "Larry" and last name "Kosmont" clearly distinguishable.

Larry J. Kosmont, CRE®, President
Cell: (213) 507-9000
Email: LKosmont@KosmontTransactions.com

cc: Dan Massiello, Sr. Vice President

Mailing Address: 1601 N Sepulveda Blvd, #382
Manhattan Beach, CA 90266

Kosmont Transactions Services, Inc.
(424) 297-1073
www.KosmontTransactions.com

Physical Address: 1230 Rosecrans Ave, #630
Manhattan Beach, CA 90266

KTS FEE SCHEDULES**Time and Materials**

Should the City wish to engage KTS on a discrete, non-contingent basis whereby KTS's services are not dependent upon or specifically associated with a planned financing, KTS can be compensated on a "time and materials" basis professional consulting services in accordance with the schedule below. There is no requirement for the payment of an up-front retainer, and invoices for services will be sent monthly.

Professional Services Hourly Rates

President	\$365.00/hour
Senior Vice President/Senior Advisor	\$325.00/hour
Vice President	\$225.00/hour
Senior Project Analyst	\$195.00/hour
Project Analyst/Project Research	\$165.00/hour
Assistant Project Analyst/Assistant Project Manager	\$125.00/hour
GIS Mapping/Graphics Service	\$ 95.00/hour
Clerical Support	\$ 70.00/hour

Transactional Securities Issuance Services

Fees for specific securities issuance transactions will always be negotiated on a case-by-case basis and payable only after the adoption of the requisite authorizing resolution(s) or execution of other mutual agreements as may be applicable or appropriate. In circumstances where KTS is engaged to execute a specific transaction on behalf of the City, there is no retainer or up-front compensation required. The City will not be charged or expected to pay any fees to KTS before KTS receives the City's express, written authorization for services under an appropriate and applicable form of agreement.

In regards to the City's approximately \$9.6 million UAL, KTS proposes a fee of not to exceed \$45,000 for a publicly offered financing (Pension Obligation Bonds or Lease Revenue Bonds), and \$35,000 for a privately placed transaction.

All fees are ultimately subject to negotiation; we are extremely motivated to work with the City and provide this information as a basis for negotiations. KTS's fees are charged on a per issue or series basis as distinguished by the existence of multiple bond series (e.g. Series A, Series B), different security pledges or underlying contractual documents (e.g., leases, indentures, etc.) for underlying obligations or sources of repayment, and amounts quoted assume that the transaction will proceed with reasonable dispatch. Should the issue encounter material delays, be modified to require the issuance of multiple series of bonds, and/or should additional underlying revenue sources or legal obligations be required, KTS would reserve the right to amend this fee accordingly in consultation with the City.

Additional Expenses

In addition to professional services fees charged based on either the Transactional Securities Issuance Services fee schedule or the Time and Materials fee schedule, direct, out-of-pocket expenditures — such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages — that are requested by the City, will be charged at actual cost.



City Council Agenda Report

Agenda Item No. 8.a.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Colby Cataldi, Community Development Director

SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 21-74, ADOPTING A GENERAL PLAN AMENDMENT (GPA) (NO. 21-02) TO UPDATE THE DENSITY OF THE MIXED USE CATEGORY OF THE LAND USE ELEMENT TO MATCH THE COMMERCIAL-RESIDENTIAL ZONE

SUMMARY: The Mixed Use category of the Land Use Element caps densities at 29 dwelling units per acre, and was not updated to reflect the increased densities of the C-R zone that was adopted in 2012. Because of this, an update to the Mixed Use category is required to reflect the density in the C-R zone.

RECOMMENDED ACTION: Staff recommends City Council adopt Resolution No. 21-74, adopting the General Plan Amendment No. 21-02.

FISCAL IMPACT: No impact to the City's General Fund

DISCUSSION: On March 13, 2012, the City of South El Monte ("City") adopted the Commercial-Residential (C-R) zone into the zoning code. This policy change creates a mixed-use zone that allows for a combination of commercial and housing. This was designed to accommodate a higher density zone that allows for the development of vertical multifamily housing projects in order to meet the State's requirements to address the statewide housing deficit. The densities created for this zone include 35 dwelling units per acre when located adjacent to single family zoning, 87 dwelling units per acre when developed adjacent to multi-family zoning, and 100 dwelling units per acre when not abutting residential zoning. The newly created C-R zone was paired with the mixed-use C-R land use category in the Land Use element of the General Plan.

The Land Use Element Mixed-Use category capped densities at 29 dwelling units per acre, and was not updated to reflect the increased densities of the adopted C-R zone. Approval of this GPA is required to correct the density inconsistency between the City's Land Use Element and Zoning Code.

The amendment to the Land Use Element will bring the Mixed-Use category into alignment with the C-R zone's density. The change will read as follows with deletions marked with strikethrough and additions in bold:

The Mixed-Use (C/R) category provides opportunities for mixtures of commercial, office, and residential uses in the same building on the same parcel of land, or side by side within the same area. Allowable uses include those identified in the High-Density Residential and Commercial categories. Multi-family residential development is allowed at densities up to ~~29~~**100** units per acre without a requirement for commercial uses. Commercial development is allowed up to an floor area ration (FAR) of 1.0 without a requirement for accompanying residential uses. However, commercial uses are permitted on the ground floor of an otherwise residential building. If a site designated mixed-use includes both residential and commercial uses, ~~29~~**100** units per acre plus ground floor commercial are permitted.

Table LU-1 Land Use Designations will also need to be amended to reflect these changes as follows with deletions marked with strikethrough and additions in bold and underlined:

Land Use Designation	Maximum Permitted Density or Intensity (in dwelling units per net acre or FAR)	Average Density or Intensity (in dwelling units per net acre FAR)
Low Density Residential	up to 8 du/ac	8 du/ac
Medium Density Residential	up to 16 du/ac	16 du/ac
High Density Residential	up to 29 du/ac	29 du/ac
Mixed Use	up to 29 100 du/ac; 1.0 FAR	29 100 du/ac; 0.35 FAR
Commercial	0.50 FAR	0.20 FAR
Commercial-Manufacturing	0.75 FAR	0.35 FAR
Industrial	1.0 FAR	0.40 FAR
Public Facility	(a)	(a)
Park	(b)	N/A
Streets and other Rights-of-way	N/A	N/A

ATTACHMENT(S):

A. Resolution No. 21-74

Attachment A

RESOLUTION NO. 21-74

A RESOLUTION OF THE SOUTH EL MONTE CITY COUNCIL
ADOPTING A GENERAL PLAN AMENDMENT NO. 21-02 TO
UPDATE THE DENSITY OF THE MIXED USE CATEGORY OF
THE LAND USE ELEMENT TO MATCH THE COMMERCIAL-
RESIDENTIAL ZONE

WHEREAS, the City of South El Monte (“City”) adopted the Commercial-Residential (C-R) zone on March 13, 2012;

WHEREAS, the Mixed Use category of the Land Use Element was not updated to reflect the density of the newly established C-R zone;

WHEREAS, a public hearing was held before the Planning Commission on October 19, 2021 to consider the proposal. All evidence, both written and oral, presented during said public hearing was considered by the Planning Commission in making its determination; and

WHEREAS, a public hearing was held before the City Council on November 9, 2021 to consider the proposal. All evidence, both written and oral, presented during said public hearing was considered by the City Council in making its determination.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH EL MONTE HEREBY FINDS, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The City, as the Lead Agency, determined that the proposed general plan amendment is exempt from further review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the “CEQA Guidelines”), because it consists of only minor text revisions to existing land use element related thereto, and will not have the effect of substantially changing regulatory standards or findings required therefor in accordance with CEQA, the proposed text amendment is exempt from CEQA pursuant to Section 15061(b)(3) because the activity is governed by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. In this case, there is no project proposed and therefore the proposed general plan amendment will not have a significant effect on the environment.

Section 2. The City initiated a General Plan Amendment to amend the South El Monte General Plan Land Use Element to increase the maximum density in order to match the density set forth in South El Monte Municipal Code (“SEMMC”) Chapter 17.15 “Commercial-Residential.”

Section 3. Based upon the foregoing, the City Council hereby amends the Land Use Element of the General Plan Table LU-1 to read as follows:

**“Table LU-1
Land Use Designations**

Land Use Designation	Maximum Permitted Density or Intensity (in dwelling units per net acre or FAR)	Average Density or Intensity (in dwelling units per net acre FAR)
Low Density Residential	up to 8 du/ac	8 du/ac
Medium Density Residential	up to 16 du/ac	16 du/ac
High Density Residential	up to 29 du/ac	29 du/ac
Mixed Use	up to 100 du/ac; 1.0 FAR	100 du/ac; 0.35 FAR
Commercial	0.50 FAR	0.20 FAR
Commercial-Manufacturing	0.75 FAR	0.35 FAR
Industrial	1.0 FAR	0.40 FAR
Public Facility	(a)	(a)
Park	(b)	N/A
Streets and other Rights-of-way	N/A	N/A

“

Section 4. Based upon the foregoing, the City Council hereby amends the Land Use Element of the General Plan Mixed Use category to read as follows:

“The Mixed-Use (C/R) category provides opportunities for mixtures of commercial, office, and residential uses in the same building on the same parcel of land, or side by side within the same area. Allowable uses include those identified in the High-Density Residential and Commercial categories. Multi-family residential development is allowed at densities up to 100 units per acre without a requirement for commercial uses. Commercial development is allowed up to an FAR of 1.0 without a requirement for accompanying residential uses. However, commercial uses are permitted on the ground floor of an otherwise residential building. If a site designated mixed use includes both residential and commercial uses, 100 units per acre plus ground floor commercial are permitted.”

Section 5. The time within which judicial review of the City Council’s decision must be sought is governed by Section 1094.6 of the California Code of Procedure and Section 1.24.010 of the South El Monte Municipal Code, unless shorter time is provided by other applicable law.

PASSED, APPROVED AND ADOPTED this 9th day of November 2021

Gloria Olmos, Mayor

ATTEST:

Donna G. Schwartz, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF SOUTH EL MONTE)

I, Donna G. Schwartz, City Clerk of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 21-74 was passed and approved by the City Council of the City of South El Monte, at a regular meeting of said Council held on the 9th day of November, 2021 and that said Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donna G. Schwartz, City Clerk



City Council Agenda Report

Agenda Item No. 9.a.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Donna Schwartz, City Clerk

SUBJECT: APPOINTMENT/RE-APPOINTMENT OF A REPRESENTATIVE
TO THE GREATER LOS ANGELES COUNTY VECTOR
CONTROL DISTRICT BOARD OF TRUSTEES

SUMMARY: Per the Greater Los Angeles County Vector Control District Board of Trustees (GLACVCD) the term of office for Trustee Hector Delgado as a member of the Board is set to expire on January 3, 2022. Pursuant to Section 2024 of the State Health and Safety Code (SHSC) governing the dates of term of office of members appointed to the Board of Trustees, the City Council may consider reappointing Trustee Delgado or appointing a new trustee for a two or four-year term of the office, commencing at noon on the first Monday of January (i.e. January 3, 2022).

RECOMMENDED ACTION: City Council to consider appointment/re-appointing of a representative to the Greater Los Angeles County Vector Control District Board for a two or four-year term commencing on January 3, 2022.

FISCAL IMPACT: None.

DISCUSSION: City Council at a regular meeting held Tuesday, November 12, 2019, re-appointed Councilmember Hector Delgado to the Greater Los Angeles County Vector Control District Board of Trustees for a two-year term which commenced on January 6, 2020. Current term is set to expire January 3, 2022.

ATTACHMENT(S):

A. Letter GLCVCD - dated 9-17-21

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

12545 Florence Avenue, Santa Fe Springs, CA 90670

Office (562) 944-9656 Fax (562) 944-7976

Email: info@glacvcd.org Website: www.glamosquito.org

PRESIDENT

Heidi Heinrich, Santa Clarita

VICE PRESIDENT

Emily Holman, Long Beach

SECRETARY-TREASURER

Scott T. Kwong, San Marino

GENERAL MANAGER

Truc Dever

September 17, 2021

ARTESIA

Melissa Ramoso

BELL

Ali Saleh

BELL GARDENS

Pedro Aceituno

BELLFLOWER

Sonny R. Santa Ines

BURBANK

Dr. Jeff D. Wassem

CARSON

Elito M. Santarina

CERRITOS

Mark W. Bollman

COMMERCE

Leonard Mendoza

CUDAHY

Barú Sánchez

DIAMOND BAR

Steve Tye

DOWNEY

Robert Kiefer

GARDENA

Dan Medina

GLENDALE

Vrej Agajanian

HAWAIIAN GARDENS

Luis Roa

HUNTINGTON PARK

Marilyn Sanabria

LA CAÑADA FLINTRIDGE

Leonard Pieroni

LA HABRA HEIGHTS

Catherine Houwen

LAKEWOOD

Steve Croft

LA MIRADA

John Lewis

LOS ANGELES CITY

Steven Appleton

LOS ANGELES COUNTY

Steven A. Goldsworthy

LYNWOOD

Marisela Santana

MAYWOOD

Jessica Torres

MONTEBELLO

Avik Cordeiro

NORWALK

Ana Valencia

PARAMOUNT

Isabel Aguayo

PICO RIVERA

Raul Elias

SAN FERNANDO

Jesse H. Avila

SANTA FE SPRINGS

Joe Angel Zamora

SIGNAL HILL

Robert D. Copeland

SOUTH EL MONTE

Hector Delgado

SOUTH GATE

Denise Diaz

VERNON

Leticia Lopez

WHITTIER

Jessica Martinez

Ms. Rachel Barbosa, City Manager
City of South El Monte
1415 Santa Anita Avenue
South el Monte, California 91733

Re: Appointment/Re-appointment of Representative to the Greater Los Angeles County
Vector Control District Board of Trustees

Dear Ms. Barbosa:

This correspondence is to inform you that the term of office for Trustee Hector Delgado as a member of the Board of Trustees of the Greater Los Angeles County Vector Control District will expire on January 3, 2022. Pursuant to Section 2024 of the State Health and Safety Code (SHSC) governing the dates of term of office of members appointed to the Board of Trustees, the City Council may consider reappointing Trustee Delgado or appointing a new trustee for a **two or four-year term** of the office, commencing at noon on the first Monday of January (i.e. January 3, 2022). **Please note, per the State Health and Safety Code that representatives must be appointed to serve a full 2 or 4 year term commencing on January 3, 2022 and should not be appointed on a yearly basis. Furthermore, the District does not accept or recognize the appointment of alternate representatives.**

Please review all subsections of the SHSC 2022 (i.e. a-e) enclosed. Subsections a and b require that each person appointed by a board of supervisors or by a city council shall be a voter and resident within the respective county or city of the appointing body. Section 2022 (c) incorporates language that clarifies the issue over the doctrine of Incompatibility of Office, exempting and enabling an appointee who holds elected offices to also simultaneously serve on the District's Board of Trustees. Trustees represent the mission and interests of the District at large rather than the individual interests of the appointing body. **Once appointed, the representative cannot be removed at-will by the appointing city or county. The representative will serve until the expiration of his/her term unless he/she resigns, vacates the office due to absences, or is no longer a voter and resident within the respective county or city of the appointing body.**

Representatives are expected to attend the District's general board meetings held monthly on the 2nd Thursday of the month. Pursuant to California Government Code Section 1770(g), the Trustee's seat will be considered abandoned if the person holding the office ceases to

discharge the duties of that office for a period of three consecutive months, except when prevented by sickness or specified excuses.

Please make your appointment/reappointment prior to January 3, 2022 as stipulated in the SHSC.

Should you have any questions regarding this appointment, please contact Mary-Joy Coburn, Director of Communications at 562-944-9656 ext. 510 or mjcoburn@glamosquito.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Truc Dever', with a stylized flourish extending to the right.

Truc Dever
General Manager

Enclosure: Sections 2022 & 2024 of the SHSC
cc: Hector Delgado, Trustee
Donna G. Schwartz, City Clerk

California Health and Safety Code

2022.

(a) Each person appointed by a board of supervisors to be a member of a board of trustees shall be a voter in that county and a resident of that portion of the county that is within the district.

(b) Each person appointed by a city council to be a member of a board of trustees shall be a voter in that city and a resident of that portion of the city that is within the district.

(c) Notwithstanding any other provision of law including the common law doctrine that precludes the simultaneous holding of incompatible offices, a member of a city council may be appointed and may serve as a member of a board of trustees if that person also meets the other applicable qualifications of this chapter.

(d) It is the intent of the Legislature that persons appointed to boards of trustees have experience, training, and education in fields that will assist in the governance of the districts.

(e) All trustees shall exercise their independent judgment on behalf of the interests of the residents, property owners, and the public as a whole in furthering the purposes and intent of this chapter. The trustees shall represent the interests of the public as a whole and not solely the interests of the board of supervisors or the city council that appointed them.

2024.

(a) Except as provided in Section 2023, the term of office for a member of the board of trustees shall be for a term of two or four years, at the discretion of the appointing authority. Terms of office commence at noon on the first Monday in January.

(b) Any vacancy in the office of a member appointed to a board of trustees shall be filled pursuant to Section 1779 of the Government Code. Any person appointed to fill a vacant office shall fill the balance of the unexpired term.



City Council Agenda Report

Agenda Item No. 9.b.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Rene Salas, Deputy City Manager

SUBJECT: CONSIDERATION AND APPROVAL OF LETTER OF SUPPORT TO FUND THE CITY OF SOUTH EL MONTE'S HOMELESS PREVENTION PROGRAM AND AUTHORIZATION TO INCLUDE THE CITY COUNCILMEMBERS' SIGNATURES

SUMMARY: The City has received funding from the San Gabriel Valley Council of Governments (SGVCOG) to fund its Homeless Prevention Program in the amount of \$15,000. For the past three months, the City has provided homeless prevention services to homeless clients, totaling \$12,000. There is no additional funding available from the SGVCOG for this fiscal year once our funding expires at the end of November 2021. Funding was cut for the upcoming fiscal year and staff was unsuccessful in obtaining funds for our programs. The letter of support outlines the increasing needs that city staff encountered from our homeless community and the limited resources available with Los Angeles Homeless Services Authority and Union Station.

RECOMMENDED ACTION: Staff recommends City Council approve the letter of support to fund City of South El Monte's Homeless Prevention Program for the remaining fiscal year and next fiscal year, and authorize to include City Councilmembers' signatures.

FISCAL IMPACT: There is no fiscal impact on this item.

DISCUSSION:

In 2018, the City Council approved the City's Homeless Plan to Combat Homelessness (Plan), and since then, we launched the Mid Valley Collaborative on Homelessness (MVCH), along with the cities of Baldwin Park and El Monte, to more effectively collaborate, identify resources and execute opportunities that better serve the homeless population across all three cities.

The city's Plan identified the following challenges and areas to address:

- Need for housing and services continuum for a variety of populations (e.g. individuals with mental illness, substance abuse issues, families, youth, older adults, and domestic violence victims);
- Need for staff and first responder training to address homeless people and homelessness-related issues;
- Need for public education on homelessness;
- Concern about the balance of services and resources throughout the San Gabriel Valley;
- Overall lack of housing units;
- Low vacancy rates and high rent burdens; and
- Lack of shelter beds.

To address these issues, the MVCH received a grant from the County's Homeless Initiative and our City received a grant from the COG to explore land-use opportunities and strategies to develop and fund a homeless shelter and housing for those experiencing homelessness and on the verge of homelessness.

To initiate a focused and effective approach to addresses this urgent regional issue, our City requested and received a \$15,000 grant from the SGVCOG to address ANY need a local homeless person may have, including, but not limited to, supplies, food, shelter, auto expenses and transportation. This was a one-year grant that expires in November of this year.

The City is also exploring an opportunity to assemble a multi-jurisdictional collaboration, including partners from the County, State and federal governments, the private sector and the El Monte City School District, to build a homeless shelter for women and families.

CURRENT DILEMA

Since launching a successful City Homeless Prevention and Diversion Program three months ago, we have seen an increase in homeless clients requesting services due to the termination of COVID-related unemployment benefits and the eviction moratorium. These requests for services include, but are not limited to, hotel voucher, food, car repairs, and basic-needs care packages that provide blankets, snacks, and sanitation kits donated by the Tuz-Chi Clinic located in South El Monte. Total costs to date for these services are \$12,000, and our city needs \$30,000 more to continue this vitally needed program through the remaining Fiscal Year 2021-22.

City staff work directly with Union Station staff to identify shelter options for our homeless clients by collecting basic information to initiate a case file in LA County's Clarity/HMIS system. In some cases, we find that there is already a case file open which requires Union Station Staff to determine the client's status and which services have already been provided. We have been informed that Union Station staff are overwhelmed with existing homeless cases. Our Union Station Case Manager has 20 open cases and is no longer opening new cases. This impedes our ability to offer services to new homeless clients since city staff are stretched thin as they are pulled from their assigned duties to address homeless clients' request for services.

The provision of homeless services does not exist in a vacuum and requires dedicated city staff to:

- Coordinate across numerous partners (homeless individuals and families, city staff, partner cities, service providers, CES leads, county departments, HI, COG, etc);
- Attend all relevant meetings (city meetings, MVCH meetings, county meetings, SGVCOG, etc);
- Complete and submit funding requests to SGVCOG and HI;
- Compete and submit documentation and invoices to ensure accountability and reimbursements.

For many small cities (like South El Monte), the above tasks are taken on by staff in Parks and Recreation, Public Works, and even City Management, however, these activities fall outside of their existing scope of work. Therefore, city staff should be properly resourced to execute this important work especially if the Board of Supervisors are investing in services and expect for cities to properly coordinate, implement, and account for these investments.

Although our \$15,000 COG grant ends November 30th, our city is committed to meeting the needs of our homeless neighbors. Without additional funding for prevention and diversion programs, investment in city staff, and more staffing hours for Union Station, we will no longer be able to provide the vital resources that many of our homeless neighbors desperately rely on.

Therefore, we are submitting this letter to respectfully request that the Board of Supervisors expand the use of the \$10 million fund for interim housing services for cities and Councils of Governments (COG) combatting homelessness to include funding for city staff to lead this vital work. Front line city staff, like receptionists, recreation leaders, public works workers and code enforcement officers, have been trained to conduct homelessness intake, but cannot continue to maintain the essential coordination and follow-up that clients need and that this work requires.

ATTACHMENT(S):

- A. Letter of support



CITY OF SOUTH EL MONTE

1415 N. SANTA ANITA AVENUE
SOUTH EL MONTE, CALIFORNIA 91733
(626) 579-6540



November 9, 2021

Honorable Hilda L. Solis
Supervisor of the 1st District
Los Angeles County
500 W. Temple Street, Room 866
Los Angeles, CA 90012

Honorable Kathryn Barger
Supervisor of the 5th District
Los Angeles County
500 W. Temple Street, Room 869
Los Angeles, CA 90012

Dear Supervisor Solis and Supervisor Barger:

On behalf of the City of South El Monte, we write to you to thank you for your recent motion that allocates \$10 million that funds interim housing services for cities and Councils of Governments (COG) combatting homelessness.

Your continued advocacy for the homeless population and those on the verge of losing their homes in LA County, specifically the City of South El Monte, has pushed us to explore many ways to bring more resources to this most vulnerable population, and we are committed to maximizing all opportunities to find a solution.

As you know, the San Gabriel Valley identified approximately 4,555 homeless individuals from the last official homeless count with approximately 59 of them living on the streets of South El Monte. Some of these individuals are families that live in their cars or migrate from motel to motel.

CITY'S COMMITMENT

In 2018, our council approved the City's Homeless Plan to Combat Homelessness (Plan), and since then, we launched the Mid Valley Collaborative on Homelessness (MVCH), along with the cities of Baldwin Park and El Monte, to more effectively collaborate, identify resources and execute opportunities that better serve the homeless population across all three cities.

Our city's Plan identified the following challenges and areas to address:

- Need for housing and services continuum for a variety of populations (e.g. individuals with mental illness, substance abuse issues, families, youth, older adults, and domestic violence victims);
- Need for staff and first responder training to address homeless people and homelessness-related issues;
- Need for public education on homelessness;
- Concern about the balance of services and resources throughout the San Gabriel Valley;

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To address these issues, the MVCH received a grant from the County's Homeless Initiative and our City received a grant from the COG to explore land-use opportunities and strategies to develop and fund a homeless shelter and housing for those experiencing homelessness and on the verge of homelessness.

To initiate a focused and effective approach to addresses this urgent regional issue, our City requested and received a \$15,000 grant from the SGVCOG to address ANY need a local homeless person may have, including, but not limited to, supplies, food, shelter, auto expenses and transportation. This was a one-year grant that expires in November of this year.

We are also exploring an opportunity to assemble a multi-jurisdictional collaboration, including partners from the County, State and federal governments, the private sector and the El Monte City School District, to build a homeless shelter for women and families.

CURRENT DILEMA

Since launching a successful City Homeless Prevention and Diversion Program three months ago, we have seen an increase in homeless clients requesting services due to the termination of COVID-related unemployment benefits and the eviction moratorium. These requests for services include, but are not limited to, hotel voucher, food, car repairs, and basic-needs care packages that provide blankets, snacks, and sanitation kits donated by the Tuz-Chi Clinic located in South El Monte. Total costs to date for these services are \$12,000, and our city needs \$30,000 more to continue this vitally needed program through the remaining Fiscal Year 2021-22.

Our city staff work directly with Union Station staff to identify shelter options for our homeless clients by collecting basic information to initiate a case file in LA County's Clarity/HMIS system. In some cases, we find that there is already a case file open which requires Union Station Staff to determine the client's status and which services have already been provided. We have been informed that Union Station staff are overwhelmed with existing homeless cases. Our Union Station Case Manager has 20 open cases and is no longer opening new cases. This impedes our ability to offer services to new homeless clients since city staff are stretched thin as they are pulled from their assigned duties to address homeless clients' request for services.

The provision of homeless services does not exist in a vacuum and requires dedicated city staff to:

- Coordinate across numerous partners (homeless individuals and families, city staff, partner cities, service providers, CES leads, county departments, HI, COG, etc);
- Attend all relevant meetings (city meetings, MVCH meetings, county meetings, SGVCOG, etc);
- Complete and submit funding requests to SGVCOG and HI;
- Compete and submit documentation and invoices to ensure accountability and reimbursements.

For many small cities (like South El Monte), the above tasks are taken on by staff in Parks and Recreation, Public Works, and even City Management, however, these activities fall outside of their existing scope of work. Therefore, city staff should be properly resourced to execute this important work especially if the Board of Supervisors are investing in services and expect for cities to properly coordinate, implement, and account for these investments.

Although our \$15,000 COG grant ends November 30th, our city is committed to meeting the needs of our homeless neighbors. Without additional funding for prevention and diversion programs, investment in city staff, and more staffing hours for Union Station, we will no longer be able to provide the vital resources that many of our homeless neighbors desperately rely on.

Therefore, we respectfully request that you expand the use of the \$10 million fund for interim housing services for cities and Councils of Governments (COG) combatting homelessness to include funding for city staff to lead this vital work. Front line city staff, like receptionists, recreation leaders, public works workers and code enforcement officers, have been trained to conduct homelessness intake, but cannot continue to maintain the essential coordination and follow-up that clients need and that this work requires.

Please feel free to contact City Manager, Rachel Barbosa at (626) 579-6540 for additional information or if you would like to schedule a time to discuss this need in further detail.

Sincerely,

Mayor Gloria Olmos

Mayor Protem Richard Angel

Council member
Manuel Acosta

Council member
Hector Delgado

Council member
Gracie Retamoza

Cc: Senator Susan Rubio
Assemblymember Blanca Rubio
Marisa Creter, San Gabriel Valley Council of Governments
Homelessness Committee, San Gabriel Valley Council of Governments
Blue Ribbon Commission on Homelessness



City Council Agenda Report

Agenda Item No. 11.a.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Dianna Gomez, Executive Assistant

SUBJECT: CORRESPONDENCE FROM THE EL MONTE/SOUTH EL MONTE CHAMBER OF COMMERCE REQUESTING SPONSORSHIP FOR THEIR "100th" ANNIVERSARY CELEBRATION SCHEDULED FOR APRIL 2022

SUMMARY: The Chamber is offering various sponsorship opportunities in amounts such as \$5000 Diamond, \$2500 Platinum, \$1000 Gold, and \$500 Silver. All sponsorships include acknowledgement on social media, logo placements, t-shirts etc.

RECOMMENDED ACTION: Staff recommends City Council discuss and, if approved, appropriate recommended amount.

FISCAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

A. Letter from EM/SEM Chamber of Commerce

September 2021

Dear Members of the El Monte/South El Monte Chamber of Commerce,

We are very honored and excited to announce the El Monte/South El Monte Chamber of Commerce's 100th Anniversary in April 2022. It is a true testament to our success as we reach this centennial milestone, being proud of our history and heritage. Thanks to the pioneering efforts of our predecessors, businesses and the community, this legacy continues to live on.

In commemoration of this centennial celebration, we are organizing special events in the months before April 2022. We began with a "Blast from the Past" Car Show on July 17th, the and the Grand Gala on April 23, 2022. Also, we will produce a professional, high gloss program featuring the rich history of the Chamber of Commerce and both cities.

There will be partnership opportunities to support the El Monte/South El Monte Chamber of Commerce. The sponsorship levels are outlined in detail on the attached document for your convenience. We look forward to a special time in the upcoming months and look forward to discussing these opportunities with you leading up to April 2022.

The El Monte/South El Monte Chamber of Commerce EIN is 95-1400135.

Best personal regards,



Ken Rausch
Chief Executive Officer

SPONSORSHIP OPPORTUNITIES

\$5000 Diamond Sponsor

Company logo on 8 T-shirts

Name and logo listed on web site under corporate sponsor section with link to their web site

Table of 8 provided at Gala

Donor acknowledgment on social media

Logo placement on event banner

Corporate logo and name on all advertising/publicity/press releases from date of commitment

Full page ad in event program

Thank you on social media

Sponsorship length – one year

\$2500.00 Platinum Sponsor

Company logo on 6 T-shirts

Name and logo listed on web site under corporate sponsor section with link to their web site

Table of 6 provided at Gala

Donor acknowledgment on social media

Logo placement on event banner

Corporate logo and name on all advertising/publicity/press releases from date of commitment

One half page black and white ad in event program

Thank you on social media

Sponsorship length – one year

\$1000.00 Gold Sponsor

Company logo on 4 T-shirts

Name and logo listed on web site under corporate sponsor

4 tickets provided at Gala

Donor acknowledgment on social media

Corporate logo and name on all advertising/publicity/press releases from date of commitment

Quarter page black and white ad in event program

Thank you on social media

Sponsorship length – 6 months

\$500.00 Silver Sponsor

Company logo on 2 T-shirts

Name and logo listed on web site under corporate sponsor

2 tickets provided at Gala

Donor acknowledgment on social media

Corporate logo and name on all advertising/publicity/press releases from date of commitment

Thank you on social media

Sponsorship length – 6 months



City Council Agenda Report

Agenda Item No. 11.b.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Dianna Gomez, Executive Assistant

SUBJECT: CORRESPONDENCE FROM THE SOUTH EL MONTE EMPLOYEES ASSOCIATION (SEMEA) REQUESTING SPONSORSHIP FOR THE ANNUAL SOUTH EL MONTE EMPLOYEE HOLIDAY RECOGNITION DINNER

SUMMARY: The South El Monte Employees Association is requesting a \$2000 sponsorship for the Annual South El Monte Employee Holiday Recognition Dinner, which includes acknowledgment of sponsorship signs placed on the dinner tables, venue, dinner, and purchase of awards to employees in recognition for their years of service.

RECOMMENDED ACTION: Staff recommends City Council consider and approve sponsorship in the amount of \$2,000 for the Annual South El Monte Employees Holiday Recognition dinner.

FISCAL IMPACT: \$2,000 has been budgeted for Fiscal Year (FY) 21-22 under account number 01-100-1050-5940.

DISCUSSION:

ATTACHMENT(S):

A. City Employees Holiday Sponsorship Letter



From:

South El Monte Employees Association

1415 Santa Anita Avenue
South El Monte, CA 91733

Dear City of South El Monte City Council,

We would like to thank you for your continuous support of our holiday event and employee's recognition dinner. It is with generous sponsorships such as yours that the South El Monte Employees Association can have this once-a-year holiday event.

Once again, we are kindly requesting your help and sponsorship to cover the cost of the food and recognition for the Employee Recognition taking place on Friday, December 10, 2021, 6:00 p.m. at the RAMADA 1089 Santa Anita Avenue, South El Monte.

Your sponsorship will be advertised at our dinner tables to demonstrate your support and holiday cheer. The Sponsorship will cover the venue cost, dinners, and awards for our fellow employees.

Once again Happy Holidays and thank you for making our holiday recognition dinner a special event from all the City of South El Monte Employees.

If you have any questions, please call Dianna Gomez City of South El Monte (626) 579-6540 ext. 3217.

Respectfully,

Gloria Olmos, Mayor, City of South El Monte

Joe Martinez, Dianna Gomez, Wendy Flores, Ariana De La Cruz

Joey Figueroa, Renee Reyes, Nancy Rodriguez

(South El Monte Employees Association)

\$500 _____ \$1000 _____ \$2000 _____ Other _____

****Please make check payable to****

The South El Monte Employees Association
Christmas Employee Recognition
California Teamsters Local 911
Public, Professional & Medical Employees Union
1415 Santa Anita Avenue
South El Monte, CA 91733



City Council Agenda Report

Agenda Item No. 11.c.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Rene Salas, Deputy City Manager

SUBJECT: CORRESPONDENCE FROM SOUTH EL MONTE COMMUNITY OUTREACH (SEMCO) REQUESTING THE USE OF THE CITY'S COMMUNITY CENTER PARKING LOT TO HOST A THANKSGIVING FOOD DRIVE

SUMMARY: SEMCO is requesting the use of the City's Community Center Parking Lot to host their annual Thanksgiving Food Drive that will be held on Wednesday, November 24, 2021 from 10:00 a.m. to 2:00 p.m.

RECOMMENDED ACTION: Staff recommends City Council approve the request made by South El Monte Community Outreach.

FISCAL IMPACT: If approved, no funds need to be allocated from the general fund to accommodate the request.

DISCUSSION: SEMCO has been a long-time community partner who has donated and sponsored City events and programs. The organization is based out of a local church which provides family resources such as meals, clothing, counseling and spiritual assistance. SEMCO is composed of volunteers who strive to provide services to the City and members of the community.

SEMCO has held a Thanksgiving Food Drive for several years, providing a full thanksgiving dinner for families facing difficult times. In 2020, the food drive was converted into a drive-through event in respect to the pandemic and current health orders. With the assistance of the City, the drive-through event successfully provided over 290 thanksgiving dinners for families of the City of South El Monte and neighboring communities.

SEMCO is again requesting assistance from the City to allow the use of the community center parking lot to host the 2021 Thanksgiving Food Drive on Wednesday, November 24, 2021 from 10:00 a.m. to 2:00 p.m.

ATTACHMENT(S):

- A. South El Monte Community Outreach Request Letter

ATTACHMENT A

Dear Honorable Mayor and City Council,

The South El Monte Community Outreach Church is dedicated to providing services and resources to the City of South El Monte and the members of the community within it. We have passionately served the community and will continue to do so God willing.

We have had the privilege of hosting a Thanksgiving food drive for several years and with the help of the city held a very successful drive through in 2020. We blessed more than 190 needy families with a dinner made up of a full turkey with all the sides. This year we are requesting the assistance of the city by allowing the use of the community center parking lot for prepping and distributions of this year's Thanksgiving baskets on Wednesday, November 24, 2021, from 10:00 a.m. to 2:00 p.m. I would like to thank the city and leadership for all the help they have provided last year and many blessings on the city. Thank you and may the Lord bless you richly.

Thank you,

Charles Lopez
South El Monte Community Outreach
562 400 4150



City Council Agenda Report

Agenda Item No. 12.a.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Dianna Gomez, Executive Assistant

SUBJECT: COUNCILMEMBER GRACIE RETAMOZA

1. Discussion on City Banner Policy and Implementation of Fees.

SUMMARY:

RECOMMENDED ACTION:

FISCAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

None



City Council Agenda Report

Agenda Item No. 13.a.

DATE: November 9, 2021

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Rachel Barbosa, City Manager

SUBMITTED BY: Christy Lopez, Attorney/Partner

SUBJECT: CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION

SUMMARY: Government Code Section 54956.9 - (One Case)

Sanjay Patel et al v. City of South El Monte
Los Angeles County Superior Court Case BC720458

RECOMMENDED ACTION:

FISCAL IMPACT:

DISCUSSION:

ATTACHMENT(S):

None