



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA  
90254

## Regular Meeting Agenda - Final City Council

*Mayor*  
*Stacey Armato*

*Mayor Pro Tem*  
*Mary Campbell*

*Councilmembers*  
*Hany S. Fangary*  
*Justin Massey*  
*Jeff Duclos*

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Tuesday, January 22, 2019

6:00 PM

Council Chambers

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Closed Session - 6:00 P.M.  
Regular Meeting - 7:00 P.M.

**6:00 P.M. - CLOSED SESSION**

(LOCATION: Meetings convene in the Council Chambers and move to the Second Floor Conference Room after Public Comment)

**CALL TO ORDER IN COUNCIL CHAMBERS****ROLL CALL****PUBLIC COMMENT****RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM**

1.      **19-0052**            **MINUTES:** Approval of minutes of Closed Session held on January 8, 2019.
  
2.      **19-0061**            **CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation**  
                                 **Government Code Section 54956.9(d)(2)**  
                                 The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.  
  
                                 **Workers Compensation Claim**  
                                 **AdminSure Claim Number:** 18-138433
  
3.      **19-0054**            **CONFERENCE WITH LEGAL COUNSEL: Pending Litigation**  
                                 **Government Code Section 54956.9(d)(1)**  
                                 The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.  
  
                                 **Name of Case:** Hermosa Fitness LLC v. City of Hermosa Beach  
                                 **Los Angeles County Superior Court, Case Number:** 18STCP02840
  
4.      **19-0055**            **CONFERENCE WITH LEGAL COUNSEL: Initiation of Litigation**  
                                 **Government Code Section 54956.9(d)(4)**  
                                 The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.  
  
                                 **Number of Potential Cases:** 1

**ADJOURNMENT OF CLOSED SESSION**

**7:00 P.M. - REGULAR AGENDA**

All council meetings are open to the public. PLEASE ATTEND.

The Council receives a packet with detailed information and recommendations on nearly every agenda item. City Council agenda packets are available for your review on the City's website located at [www.hermosabch.org](http://www.hermosabch.org). Complete agenda packets are also available for public inspection in the Police Department, Hermosa Beach Public Library and the Office of the City Clerk.

During the meeting, a packet is also available in the Council Chambers foyer or you can access the packet at our website, [www.hermosabch.org](http://www.hermosabch.org), on your laptop, tablet or smartphone through the wireless signal available in the City Council chambers - Network ID: CHB-Guest, Password: chbguest

Written materials pertaining to matters listed on the agenda of a regular City Council meeting must be submitted by noon of the Tuesday, one week before the meeting in order to be included in the agenda packet (tentative future agendas can be found as Item 8 in every regular agenda packet). However, written materials received after that deadline will nonetheless be posted under the relevant agenda item on the City's website at the same time as they are distributed to the City Council by email and provided to the City Council and the public at the meeting.

**Submit your comments via eComment in three easy steps:**

Note: Your comments will become part of the official meeting record. You must provide your full name, but please do not provide any other personal information (i.e. phone numbers, addresses, etc) that you do not want to be published.

1. Go to the Agendas/Minutes/Video webpage and find the meeting you'd like to submit comments on. Click on the eComment button for your selected meeting.
2. Find the agenda item for which you would like to provide a comment. You can select a specific agenda item/project or provide general comments under the Oral/Written Communications item.
3. Sign in to your SpeakUp Hermosa Account or as a guest, enter your comment in the field provided, provide your name, and if applicable, attach files before submitting your comment.

eComments can be submitted as soon as the meeting materials are published, but will only be accepted until 12:00 pm on the date of the meeting to ensure Council and staff have the ability to review comments prior to the meeting.

Persons who wish to address an issue of general nature (not pertaining to matters listed on the agenda) to the City Council for the official record may submit written material to the Council in lieu of or in addition to speaking under the Public Participation section of the meeting. Such written correspondence must be delivered to the City Manager's office ([anny@hermosabch.org](mailto:anny@hermosabch.org)) by noon of the Tuesday, one week before the regular Council meeting in order to be included in the agenda packet.

To comply with the Americans with Disabilities Act of 1990, Assistive Listening Devices (ALD) will be available for check out at the meeting. If you require special assistance to participate in this meeting, you must call or submit your request in writing to the Office of the City Clerk at (310) 318-0203 at least 48 hours prior to the meeting.

**CALL TO ORDER****PLEDGE OF ALLEGIANCE****ROLL CALL****CLOSED SESSION REPORT****ANNOUNCEMENTS****APPROVAL OF AGENDA****PROCLAMATIONS / PRESENTATIONS**

- a) [REPORT](#) **LOS ANGELES COUNTY FIRE SERVICES AND**  
[19-0035](#) **MCCORMICK AMBULANCE QUARTERLY**  
**UPDATE AND ANNUAL REVIEW**  
(Emergency Management Coordinator Brandy Villanueva)

**Recommendation:** Staff recommends that the City Council receive and file the fourth quarter update for the period of October 1, 2018 - December 31, 2018, and the 2018 annual review of Los Angeles County Fire Department and McCormick Ambulance services.

**MISCELLANEOUS ITEMS AND REPORTS - CITY MANAGER****PUBLIC PARTICIPATION:**

**1. ORAL AND WRITTEN COMMUNICATIONS:** This is the time for members of the public to address the City Council on any items within the Council's jurisdiction not on this agenda, on items on this agenda as to which public comment will not be taken (Miscellaneous Items and Reports – City Council and Other Matters), or to request the removal of an item from the consent calendar. Public comments on the agenda items called Miscellaneous Reports and Other Matters will only be heard at this time. Comments on public hearing items are heard only during the public hearing. Members of the audience may also speak:

- a) [19-0059](#) **WRITTEN COMMUNICATION**

**Recommendation:** Staff recommends that the City Council receive and file the written communication from Anthony Higgins.

**2. CONSENT CALENDAR:**



a) [REPORT](#)  
[19-0044](#)

**CITY COUNCIL MEETING MINUTES**

(Deputy City Clerk Linda Abbott)

**Recommendation:** Staff recommends that the City Council approve the following minutes:

1. Adjourned Regular meeting of June 5-June 6, 2015
2. Special meeting of January 9, 2016
3. Special meeting of February 23, 2016
4. Adjourned Regular meeting of March 2, 2016
5. Adjourned Regular meeting of March 17, 2016
6. Adjourned Regular meeting of March 19-March 20, 2016
7. Adjourned Regular meeting of April 17, 2016
8. Adjourned Regular meeting of June 1, 2016
9. Special meeting of July 6, 2016
10. Adjourned Regular meeting of August 24, 2016
11. Adjourned Regular meeting of September 17, 2016
12. Adjourned Regular meeting of November 2, 2016
13. Adjourned Regular meeting of April 24, 2018
14. Special meeting of October 29, 2018\*
15. Regular meeting of December 11, 2018

\*Tri-Cities/Beach Cities Health District Living Streets Design Manual (minutes prepared by Redondo Beach City Clerk's Office)

b) [REPORT](#)  
[19-0034](#)

**CHECK REGISTERS**

(Finance Director Viki Copeland)

**Recommendation:** Staff recommends that the City Council ratify the following check registers.

c) [REPORT](#)  
[19-0032](#)

**MEMORANDUM REGARDING  
REVENUE REPORT, EXPENDITURE REPORT,  
AND CIP REPORT BY PROJECT FOR DECEMBER 2018**

(Finance Director Viki Copeland)

**Recommendation:** Staff recommends that the City Council receive and file the memorandum regarding the December 2018 Financial Reports.

d) [REPORT](#)  
[19-0056](#)

**CITY TREASURER'S REPORT AND CASH BALANCE REPORT**

(City Treasurer Karen Nowicki)

**Recommendation:** City Treasurer recommends that the City Council receive and file the December 2018 City Treasurer's Report and Cash Balance Report.

e) [REPORT](#)  
[19-0039](#)

**CANCELLATION OF CERTAIN CHECKS**

(City Treasurer Karen Nowicki)

**Recommendation:** City Treasurer recommends that the City Council approve cancellation of certain checks.

f) [REPORT](#)  
[19-0041](#)

**ACCEPTANCE OF DONATIONS**

(Finance Director Viki Copeland)

**Recommendation:** Staff recommends that the City Council accept the donations received by the City to be used for La La Land Day as noted.

- g) [REPORT](#) **PROJECT STATUS REPORT AS OF DECEMBER 31, 2018**  
[19-0046](#) (Public Works Director Glen W.C. Kau)  
**Recommendation:** Staff recommends that the City Council receive and file the Project Status Report as of December 31, 2018.
- h) [REPORT](#) **PLANNING COMMISSION TENTATIVE FUTURE AGENDA ITEMS**  
[19-0033](#) (Community Development Director Ken Robertson)  
**Recommendation:** Staff recommends that the City Council receive and file the February 19, 2019 Planning Commission tentative future agenda.
- i) [REPORT](#) **ACTION SHEET OF THE PLANNING COMMISSION MEETING OF**  
[19-0037](#) **JANUARY 15, 2019**  
**Recommendation:** Staff recommends that the City Council receive and file the action sheet of the Planning Commission meeting of January 15, 2019.
- j) [REPORT](#) **ACTION MINUTES OF THE EMERGENCY PREPAREDNESS**  
[19-0036](#) **ADVISORY COMMISSION MEETING OF NOVEMBER 5, 2018**  
**Recommendation:** Staff recommends that the City Council receive and file the action minutes of the Emergency Preparedness Advisory Commission meeting of November 5, 2018.
- k) [REPORT](#) **REQUEST FOR APPROVAL OF SPONSORSHIP DONATION TO**  
[19-0047](#) **MIRA COSTA HIGH SCHOOL GRAD NITE 2019**  
(City Manager Suja Lowenthal)  
**Recommendation:** Staff recommends that the City Council approve a donation of \$1,000 to the Mira Costa High School G.R.A.D. Booster Club for 2019.
- l) [REPORT](#) **2017-18 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**  
[19-0038](#) **(Including Report from Independent Auditor)**  
(Finance Director Viki Copeland)  
**Recommendation:** Staff recommends that the City Council receive and file the 2017-18 Comprehensive Annual Financial Report (CAFR), which includes the report from The Pun Group, LLP, the City's independent auditors.
- m) [REPORT](#) **APPROVE CHANGES TO THE ASSOCIATE ENGINEER**  
[19-0060](#) **JOB DESCRIPTION**  
(Human Resources Manager Vanessa Godinez)  
**Recommendation:** Staff recommends that City Council approve changes made to the Associate Engineer job description, approved by the Professional and Administrative Employee Group on January 14, 2019 and approved by the Civil Service Board on January 16, 2019.

### 3. CONSENT ORDINANCES

a) [REPORT](#)  
[19-0048](#)

**ORDINANCE NO. 19-1390**

**“AN ORDINANCE OF THE CITY OF HERMOSA BEACH,  
CALIFORNIA, AMENDING THE MUNICIPAL CODE, TITLE 12,  
TO ADD CHAPTER 12.18, ‘WIRELESS FACILITIES IN PUBLIC  
RIGHTS OF WAY’ TO REGULATE WIRELESS FACILITIES  
IN THE PUBLIC RIGHT OF WAY”**

(City Clerk Elaine Doerfling)

**Recommendation:** The City Clerk recommends that the City Council waive full reading and adopt by title Ordinance No. 19-1390.

**4. ITEMS REMOVED FROM THE CONSENT CALENDAR FOR SEPARATE  
DISCUSSION**

**5. PUBLIC HEARINGS**

NONE

**6. MUNICIPAL MATTERS**

a) [REPORT](#)  
[19-0049](#)

**RESOLUTION AUTHORIZING CITY CLERK SALARY ADJUSTMENT  
AND CONSIDERATION OF NOVEMBER 2019 BALLOT MEASURE  
FOR APPOINTED CITY CLERK**

(Assistant to the City Manager Nico De Anda-Scaia)

**Recommendation:** Staff recommends that the City Council:

1. Adopt Resolution No. 19-XXXX adjusting the compensation of the elected City Clerk back to its previous base salary rate as of June 9, 2015; and
2. Direct the City Attorney to bring back to the City Council the resolution required for placing a ballot question on the November 2019 General Municipal Election, asking voters to change the elected City Clerk position to an appointed office.

b) [REPORT](#)  
[18-0749](#)

**APPROVAL OF FOURTH AMENDMENT TO  
THE CHAMBER OF COMMERCE WEDNESDAY FARMERS’  
MARKET AGREEMENT INCLUDING TERM EXTENSION AND  
LANGUAGE UPDATES REGARDING MARKET VENDORS**

***(Continued from meeting of December 11, 2018)***

(Community Resources Manager Kelly Orta)

**Recommendation:** Staff recommends that the City Council approve the fourth amendment to the Chamber of Commerce Wednesday Farmers' Market agreement, including the following changes:

1. Term extension to June 16, 2020; and
2. Updated vendor language to include clear guidelines on the composition of permitted vendors.

c) [REPORT](#)  
[19-0043](#)

**APPROVAL TO IMPLEMENT AN ANNUAL SKATE  
PARK MEMBERSHIP PROGRAM AND RESOLUTION  
ESTABLISHING AN ANNUAL SKATE PARK MEMBERSHIP  
FEE AND MEMBERSHIP CARD REPLACEMENT FEE**

(Community Resources Manager Kelly Orta)

**Recommendation:** Staff recommends that the City Council:

1. Approve the implementation of an annual Skate Park Membership program; and
2. Adopt Resolution No. 19-XXXX establishing an annual Skate Park Membership fee and a Skate Park Membership Card Replacement fee.

d) [REPORT](#)  
[19-0045](#)

**PURCHASE OF POLICE DEPARTMENT VEHICLES**

*(Continued from meeting of January 22, 2019)*

(Acting Police Chief Milton McKinnon)

**Recommendation:** Staff recommends that the City Council authorize the purchase of the following vehicles for the Police Department:

- a. Three (3) 2019 Chevrolet Tahoe utility vehicles to replace existing Chevrolet Tahoes, which include the Watch Commander HB9 vehicle, and Patrol vehicles HB1 and HB5;
- b. Two (2) 2019 BMW R1200RT-P motorcycles to replace two (2) Honda ST 1300 motorcycles; and
- c. One (1) 2019 Toyota Tacoma pick-up truck to replace one (1) Ford Ranger P/U truck for Parking Enforcement.

**7. MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS - CITY  
COUNCIL**

a) [19-0051](#)

**COUNCILMEMBER FANGARY REPORTS ON HIS  
ATTENDANCE AT THE CALIFORNIA CONTRACT  
CITIES ASSOCIATION LEGISLATIVE TOUR IN  
SACRAMENTO FROM JANUARY 7-9, 2019**

b) 19-0050

**UPDATES FROM CITY COUNCIL AD HOC SUBCOMMITTEES  
AND STANDING COMMITTEE DELEGATES/ALTERNATES**

**8. OTHER MATTERS - CITY COUNCIL**

a) 19-0057

**COUNCILMEMBER DUCLOS REQUESTS THAT THE CITY  
COUNCIL CONSIDER HOLDING A JOINT STUDY SESSION  
WITH THE BEACH CITIES HEALTH DISTRICT TO  
DISCUSS YOUTH HEALTH ISSUES**

b) [19-0058](#)

**TENTATIVE FUTURE AGENDA ITEMS**

**Recommendation:** Staff recommends that the City Council receive and file the tentative future agenda.

## ADJOURNMENT

**FUTURE MEETINGS AND CITY HOLIDAYS****CITY COUNCIL MEETINGS:**

February 12, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

February 26, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

March 6, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Study Session

March 9, 2019 - Saturday - Adjourned Regular Meeting:

9:00 AM - City Council Retreat

March 12, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

March 18, 2019 - Monday - Adjourned Regular Meeting:

7:00 PM - Joint Meeting with School Board

March 26, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

April 9, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

April 23, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

April 24, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - FY 2019-2020 Capital Improvement Program

May 1, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Study Session

May 14, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

May 22, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Budget Workshop

May 28, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

June 5, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Study Session

June 11, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

June 25, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

July 9, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

July 18, 2019 - Thursday - Adjourned Regular Meeting:

6:00 PM - Joint Meeting with All Boards and Commissions

July 23, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

August 13, 2019 - Tuesday - No Meeting (Dark)

August 27, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

## CITY COUNCIL MEETINGS-CONTINUED:

September 4, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Study Session

September 10, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

September 24, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

October 2, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Study Session

October 8, 2019 - Tuesday - No Meeting (Re-scheduled to Oct. 10)

October 10, 2019 - Thursday - Adjourned Regular Meeting:

6:00 PM - Closed Session and 7:00 PM - City Council Meeting

October 22, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

November 6, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Study Session

November 12, 2019 - Tuesday - 6:00 PM - Closed Session,

7:00 PM - City Council Meeting

November 18, 2019 - Monday - Adjourned Regular Meeting:

6:00 PM - Closed Session and 7:00 PM - City Council Meeting

November 21, 2019 - Thursday - Adjourned Regular Meeting:

6:00 PM - Mayor Rotation

November 26, 2019 - Tuesday - No Meeting (Re-scheduled to Nov. 18)

December 4, 2019 - Wednesday - Adjourned Regular Meeting:

6:00 PM - Study Session

December 10, 2019 - Tuesday - No Meeting (Re-scheduled to Dec. 12)

December 12, 2019 - Thursday - Adjourned Regular Meeting:

6:00 PM - Closed Session and 7:00 PM - City Council Meeting

December 24, 2019 - Tuesday - No Meeting (Dark)

## BOARDS, COMMISSIONS AND COMMITTEE MEETINGS:

February 5, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
February 19, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
March 4, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting  
March 5, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
March 19, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
March 20, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting  
April 2, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
April 16, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
May 6, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting  
May 7, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
May 15, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting  
May 21, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
June 4, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
June 18, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
July 2, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
July 8, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting  
July 16, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
July 17, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting  
August 6, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
August 20, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
September 3, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
September 9, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting  
September 17, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
September 18, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting  
October 1, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
October 15, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
November 4, 2019 - Monday - 7:00 PM - Emergency Preparedness Advisory Commission Meeting  
November 5, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
November 19, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting  
November 20, 2019 - Wednesday - 7:00 PM - Public Works Commission Meeting  
December 3, 2019 - Tuesday - 7:00 PM - Parks and Recreation Advisory Commission Meeting  
December 9, 2019 - Tuesday - 7:00 PM - Planning Commission Meeting

## CITY OFFICES CLOSED FRIDAY-SUNDAY AND ON THE FOLLOWING DAYS:

January 21, 2019 - Monday - Martin Luther King, Jr. Birthday  
February 18, 2019 - Monday - President's Day  
May 27, 2019 - Monday - Memorial Day  
July 4, 2019 - Thursday - Independence Day  
September 2, 2019 - Monday - Labor Day  
November 11, 2019 - Monday - Veteran's Day  
November 28, 2019 - Thursday, Thanksgiving Day  
December 25, 2019 - Wednesday - Christmas Day  
January 1, 2020 - Wednesday - New Year's Day (2020)





# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0052

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Closed Session of January 22, 2019**

**MINUTES:** Approval of minutes of Closed Session held on January 8, 2019.



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0061

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Closed Session of January 22, 2019**

#### **CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation**

##### **Government Code Section 54956.9(d)(2)**

The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

##### **Workers Compensation Claim**

**AdminSure Claim Number: 18-138433**



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0054

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Closed Session of January 22, 2019**

#### **CONFERENCE WITH LEGAL COUNSEL: Pending Litigation**

##### **Government Code Section 54956.9(d)(1)**

The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

**Name of Case:** Hermosa Fitness LLC v. City of Hermosa Beach  
**Los Angeles County Superior Court, Case Number:** 18STCP02840



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0055

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Closed Session of January 22, 2019**

### **CONFERENCE WITH LEGAL COUNSEL: Initiation of Litigation**

#### **Government Code Section 54956.9(d)(4)**

The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

**Number of Potential Cases: 1**



## Staff Report

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### Staff Report

REPORT 19-0035

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019

**LOS ANGELES COUNTY FIRE SERVICES AND  
MCCORMICK AMBULANCE QUARTERLY  
UPDATE AND ANNUAL REVIEW**

(Emergency Management Coordinator Brandy Villanueva)

#### **Recommended Action:**

Staff recommends that the City Council receive and file the fourth quarter update for the period of October 1, 2018 - December 31, 2018, and the 2018 annual review of Los Angeles County Fire Department and McCormick Ambulance services.

#### **Executive Summary:**

This is the fourth quarter and annual review of the fire and ambulance transport services provided by the Los Angeles County Fire Department and McCormick Ambulance. Staff continues to monitor the trends associated with the services provided to ensure that excellent customer service is provided to the community.

#### **Background:**

Los Angeles County Fire Department provides fire services and McCormick Ambulance provides emergency transport services for the City of Hermosa Beach. These providers began delivering services on December 30, 2017 and have successfully completed the first year of their respective contracts with the City.

#### **Analysis:**

During the fourth quarter of 2018, October 1, 2018 - December 31, 2018, Los Angeles County Fire Department responded to **414** incidents with an average response time of **5:01** minutes. Los Angeles County Fire Department defines the Average Response Time as the time that the first-arriving units, which excludes the Lifeguard units, are en route and arrive at each incident and includes emergency and non-emergency calls. Dispatch and turnout time are not included in the Los Angeles County Fire Department average response time.

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## Staff Report

REPORT 19-0035

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**Table 1: Los Angeles County Fire Department Incidents**

Incident Type	No. of Incidents	Average Response Time
Fire, Explosion	2	4:29
Rescue, EMS	272	4:50
Hazardous Condition	10	8.91
Service Call	28	6:30
Good Intent Call	36	6:14
False Alarm, False Call	46	5:78
Special or Other Incident Type	20	4:28
<b>Grand Total</b>	<b>414</b>	<b>5:01</b>

Hermosa Beach Fire Department responded to **511** incidents during the fourth quarter of 2017. The average response time for the Hermosa Beach Fire Department was **6:34** and was defined as the time the call was dispatched to the time that the first unit arrived on scene, which includes turnout time. Los Angeles County Fire Department received 97 less calls for service in the fourth quarter of 2018 than Hermosa Beach Fire received in the fourth quarter of 2017.

In 2018, Los Angeles County Fire Department responded to 1645 total incidents with an average response time of 5.04 minutes. Hermosa Beach Fire Department responded to 2,311 calls in 2017 with an average response time of 6:16 minutes. Los Angeles County Fire Department received 666 less calls for service during 2018 compared to the Hermosa Beach Fire Department in 2017. Each quarter, there has been a decrease in the number of calls for service with the largest decrease in the third quarter resulting in 277 less calls in 2018 than 2017. Staff will continue to monitor the calls for service with Los Angeles County Fire in 2019. **Attachment 1** provides the incident type and average response times for all responses in 2018.

The Los Angeles County Fire Department continues to provide automatic aid to neighboring jurisdictions. **Attachment 2** indicates that surrounding jurisdictions (labeled as Area G Cities) have responded into Hermosa Beach to provide automatic aid twice during the quarter while Los Angeles County Fire Department (labeled as the Fire District) has responded 57 times into Area G cities to provide automatic aid during the quarter.

Throughout 2018, the Los Angeles County Fire Department responded 232 times into Area G Cities to provide automatic aid while Area G Cities responded into Hermosa Beach for a total of 10 incidents.

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## Staff Report

REPORT 19-0035

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### **Special Events:**

Los Angeles County Fire Department assisted with the pre-planning and/or participated in a variety of events during the fourth quarter of 2018 - Santa Sleigh ride, Beach Cities toy drive, tree lighting ceremony and New Year's Eve celebration. Fire continues to partner with City staff and event producers to ensure fire life and safety measures are properly implemented and followed during community events. **Attachment 3** depicts some of the interactions Los Angeles County Fire Station 100 has had with the community.

### **Fire Station Construction:**

City staff and Los Angeles County Fire Department personnel continue to meet monthly to prepare for the fire station remodel, which is scheduled to begin March of 2019. Monthly meetings are held at 2 p.m. on the third Tuesday of each month. The construction project will entail a complete interior remodel of the single-story station. The station will include five dormitories, two ADA accessible restrooms, an office and kitchen along with utility upgrades, and installation of seismic retrofit measures.

### **Fire Prevention:**

In the fourth quarter of the year, Station 100 conducted 351 inspections as part of the 2018 Annual Business Fire Inspection program. In total, Station 100 conducted 978 inspections throughout 2018. Inspections are categorized as Pass, Reinspection and Vacant. The table below represents the fourth quarter outcomes of the inspections. **Attachment 4** illustrates the 2018 Annual Business Inspection program outcomes.

**Table 2: Quarterly Annual Business Fire Inspection Results**

<b>Inspection Category</b>	<b>Number of Inspections</b>
Pass	288
Reinspection	29
Vacant	34
<b>Total</b>	<b>351</b>

### **Film Permit:**

During the fourth quarter of 2018, Community Resources and Los Angeles County Fire Department have processed and approved 14 film permits.

Community Resources and the Los Angeles County Fire Department processed 54 film permits in 2018 as compared to the 56 film permits that were processed by Community Resources and Hermosa Beach Fire Department in 2017. **Attachment 5** shows the dates and locations of the 2018 film permits.

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## Staff Report

REPORT 19-0035

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**Table 3: Quarterly Film Permits**

Month	# of Film Permits	Locations
October	3	Pier, Beach, Hermosa Avenue
November	4	Private Residence, Beach Pier, Valley Park
December	7	Beach, Private Residence, Pier, The Strand, Downtown, Hermosa Avenue
<b>Total</b>	<b>14</b>	

### **McCormick Ambulance:**

McCormick Ambulance conducted 212 transports during the fourth quarter of 2018. In total, McCormick Ambulance completed 873 transports and were cancelled 457 times during 2018.

**Table 4: McCormick Ambulance Transports**

Month	Number of Completed Transports	Number of Cancelled Transports
October	74	35
November	74	38
December	64	39
<b>Total</b>	<b>212</b>	<b>112</b>

### **General Plan Consistency:**

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant policies are listed below:

#### **Governance Element:**

*1.6 Long-term considerations.* Prioritize decisions that provide long-term community benefit and discourage decisions that provide short-term community benefit but reduce long-term opportunities.

#### **Public Safety Element**

*5.1 High level of response.* Achieve optimal utilization of allocated public safety resources and provide desired levels of response and protection within the community.

*5.4 Adequate emergency access.* Require new development to be designed to provide adequate emergency access and to maintain current levels of emergency services.

### **Fiscal Impact:**

Funding for fire and ambulance services is included in the annual City budget.



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## Staff Report

REPORT 19-0035

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### **Attachments:**

1. 2018 Los Angeles County Fire Incidents and McCormick Transports
2. 2018 Automatic Aid Annual Review
3. 2018 Community Engagement Photos
4. 2018 Annual Business Inspections
5. 2018 Film Permits

**Respectfully Submitted by:** Brandy Villanueva, Emergency Services Coordinator

**Concur:** Scott Hale, Los Angeles County Fire Department, Assistant Fire Chief of Division I

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Approved:** Suja Lowenthal, City Manager

## Los Angeles County Fire Department & McCormick Ambulance

### 2018 Fire Incidents

Incident Type	1 <sup>st</sup> Quarter – No. of Incidents	1 <sup>st</sup> Quarter – Average Response Time	2 <sup>nd</sup> Quarter – No. of Incidents	2 <sup>nd</sup> Quarter – Average Response Time	3 <sup>rd</sup> Quarter – No. of Incidents	3 <sup>rd</sup> Quarter – Average Response Time	4 <sup>th</sup> Quarter – No. of Incidents	4 <sup>th</sup> Quarter – Average Response Time
Fire, Explosion	6	4:5	6	5:19	3	5:32	2	4:29
Rescue, EMS	302	4:6	278	4:50	286	4:48	272	4:50
Hazardous Condition	2	5:1	7	8:11	5	5:28	10	8:91
Overpressure, Rupture, Explosion, Overheat	0	0	0	0	1	11:45	0	0
Service Call	19	6:8	14	8:08	14	6:47	28	6:30
Special or Other Incident Type	5	2:0	1	2:48	0	0	20	4:28
Good Intent Call	43	4:7	33	7:10	25	5:49	36	6:14
False Alarm, False Call	53	5:9	81	6:10	47	5:20	46	5:78
<b>Total</b>	<b>430</b>	<b>4:8</b>	<b>420</b>	<b>5:17</b>	<b>381</b>	<b>5:01</b>	<b>414</b>	<b>5:01</b>
<b>Total # of Incidents in 2018</b>		<b>1645</b>		<b>2018 Average Response Time</b>		<b>5:35 minutes</b>		

### McCormick Transports

Quarter	No. of Completed Transports	No. of Cancelled Transports
<b>1</b>	<b>221</b>	<b>107</b>
<b>2</b>	<b>214</b>	<b>104</b>
<b>3</b>	<b>226</b>	<b>134</b>
<b>4</b>	<b>212</b>	<b>112</b>
<b>Total</b>	<b>873</b>	<b>457</b>

## ANNUAL AUTO AID REPORT 2018

RESPONSES BY THE FIRE DISTRICT				RESPONSES IN TO THE FIRE DISTRICT				
JANUARY, FEBRUARY, MARCH				JANUARY, FEBRUARY, MARCH				
1st Quarter				FS100	FS21	FS160	FS158	TOTAL
EL SEGUNDO FIRE	9			0	0	0	0	0
MANHATTAN BEACH FIRE	53			1	0	1	0	2
REDONDO BEACH FIRE	12			4	2	0	1	7
TORRANCE FIRE	0			0	0	0	0	0
	74							9
APRIL, MAY, JUNE				APRIL, MAY, JUNE				
2nd Quarter				FS100	FS21	FS160	FS158	TOTAL
EL SEGUNDO FIRE	9			0	0	0	0	0
MANHATTAN BEACH FIRE	18			2	0	1	0	3
REDONDO BEACH FIRE	11			1	0	0	0	1
TORRANCE FIRE	1			0	0	0	0	0
	39							4
JULY, AUGUST, SEPTEMBER				JULY, AUGUST, SEPTEMBER				
3rd Quarter				FS100	FS21	FS160	FS158	TOTAL
EL SEGUNDO FIRE	9			0	0	0	0	0
MANHATTAN BEACH FIRE	26			1	0	1	0	2
REDONDO BEACH FIRE	26			1	1	0	0	2
TORRANCE FIRE	1			0	0	0	0	0
	62							4
OCTOBER, NOVEMBER, DECEMBER				OCTOBER, NOVEMBER, DECEMBER				
4th Quarter				FS100	FS21	FS160	FS158	TOTAL
EL SEGUNDO FIRE	34	7		0	0	0	0	0
MANHATTAN BEACH FIRE	135	38		0	0	1	0	1
REDONDO BEACH FIRE	61	12		0	0	0	1	1
TORRANCE FIRE	2	0		0	0	0	0	0
		57						2
TOTAL FOR 2018				232				19







#### Photos pictured Above:

1. Fire Transition Ceremony
2. Hermosa Heroes Pancake Breakfast
3. Sidewalk CPR Event on Pier Plaza
4. Firefighters getting their milk and cookies at Pier Avenue establishment Sugar Dayne
5. Hermosa Heroes Pancake Breakfast
6. Hermosa Heroes Pancake Breakfast
7. Holiday Open House & Tree Lighting
8. A Grateful Triathlete stopped by the fire station after their assistance at the Hermosa Beach Triathlon
9. Trick or Treat Halloween at the Fire Station

Updated 1/8/19

1



**Photos Pictured Below:**

10. LA County Fire was recognized by Little Company of Mary for their life-saving work to quickly diagnose and transport a patient that was in need of support from their stroke center.
11. LA County Fire participated in the 2018 Safety Fair.
12. LA County Fire taught the proper fire extinguisher use during CERT training.
13. LA County Fire taught two Basic CERT trainings during 2018. The photo is with the Oct. 2018 class graduates.
14. LA County Fire joined our Police Department and Santa as they visited neighbors throughout Hermosa Beach.



## 2018 Annual Business Fire Inspection Program

<b>Inspection Category</b>	<b>1<sup>st</sup> Quarter Inspections</b>	<b>2<sup>nd</sup> Quarter Inspections</b>	<b>3<sup>rd</sup> Quarter Inspections</b>	<b>4<sup>th</sup> Quarter Inspections</b>	<b>Total</b>
Pass			536	288	824
Reinspection			54	29	83
Vacant			37	34	71
<b>Total</b>	<b>0</b>	<b>0</b>	<b>627</b>	<b>351</b>	<b>978</b>

**Note:** The Annual Business Fire Inspection program commenced on April 1, 2018



## 2018 Film Permits

### 1<sup>st</sup> Quarter

MONTH	DAY	EVENT	LOCATION
January	9	A+ Productions	Pier, Plaza, Beach, Pier Ave.
	16	Hot Topic	South Park
	26	USC Student Film	Beach

MONTH	DAY	EVENT	LOCATION
February		No filming during February 2018	

MONTH	DAY	EVENT	LOCATION
March	1,2	Media Focus	Skate Park, Pier, Strand
	9	Day O Productions	Private Residence
	9	A'Gaci	Residence & Beach
	22	Yachak Orgnaic	Beach

### 2<sup>nd</sup> Quarter

MONTH	DAY	EVENT	LOCATION
April	8	Launch DRTV	South Park + Beach
	11	Forest Productions	Beach + Private Residence
	26	Yang Student Film	Beach
	27	Spur Productions	Beach

MONTH	DAY	EVENT	LOCATION
May	12	USAV Event Coverage	Beach Volleyball Courts
	14,16, 17, 18	No Age Limit Productions	Private Locations, Strand
	20	Day O Productions	Pier Plaza
	30, 31	Eddie's Bar	Private Location, Pier, Plaza

MONTH	DAY	EVENT	LOCATION
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June	7, 8, 9, 10	Amazing Race	Beach, Pier, Plaza
	19	Fabletics	Beach
	21	Sunsets Inc./BKB	Beach
	21	Wrong Creative	Private Location

### 3<sup>rd</sup> Quarter

MONTH	DAY	EVENT	LOCATION
July	12	3 <sup>rd</sup> House Entertainment	Private Residence
	27	Blink Films UK	Private Residence
	27, 28, 29	AVP	Beach (event)
	31	98 Industries	Beach, Pier

MONTH	DAY	EVENT	LOCATION
August	13	K Bell Socks	Private Residence & Beach
	17	Launch DRTV	Private Residence
	24	Crawford & Co.	Private Business
	28	Lanzante	Beach
	30	Launch DRTV	Private Residence

MONTH	DAY	EVENT	LOCATION
September	10	Radley Studios	Beach
	12	Native Collaboration	Valley Park
	17	Container Recycling Institute	Beach
	22	Launch DRTV	South Park & Private Residence
	24	NFL Films	Private Residence

### 4<sup>th</sup> Quarter

MONTH	DAY	EVENT	LOCATION
October	4	Barnstormers	Pier & Beach
	8	I'z Bridal	Pier & Beach
	17	Levi Stauss	Hermosa Avenue

MONTH	DAY	EVENT	LOCATION
November	12-16	Veronica Mars Episode #101	Private Locations, Beach
	14-16	Bully High Student Film	Private Location, Pier, Beach
	16	Louvard	Private Location
	19	Ready Set	Beach, Valley Park
	26	Launch DRTV	Private Location

MONTH	DAY	EVENT	LOCATION
December	2-6	Veronica Mars Episode #102	Private Locations, Beach, Hermosa Ave.
	11-13	Veronica Mars Episode #103	Private Locations, Beach, The Strand
	11-13	Tillys	Pier, Downtown
	17	Launch DRTV	Private Location
	15-20	Arcana Academy	Private Location
	19	Midway Films	Pier
	21	Leopard USA	Private Location



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0059

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### WRITTEN COMMUNICATION

#### **Recommended Action:**

Staff recommends that the City Council receive and file the written communication from Anthony Higgins.

#### **Attachments:**

Letter from Anthony Higgins received January 14, 2019

January 22, 2019

Dear Council Members,

Subj: 2017 Plan-Hermosa failure to include CEQA truck-route environment impact analysis.

It is my hope that the council will come to its senses and commission a meaningful study to assess the safety, health, quality of life and property rights impacts that the increasing number of heavy trucks are having on our 27<sup>th</sup> street neighborhood and develop a comprehensive data-driven strategy for all heavy-trucks in the city. I believe this should have been done as part of the General Plan but that doesn't matter. What matters is doing the right thing going forward. It's not our mistakes but how we handle our mistakes that usually define us. It is in that spirit that I offer the following:

The California Environmental Quality Act (CEQA) statute sets forth the process for preparing Environmental Impact Reports (EIR) and more broadly, General Plans like 2017 Plan-Hermosa EIR.

CEQA provides detailed & specific guidelines for preparing EIRs.

Appendix G of the CEQA requires looking at environmental impacts including safety, the near-roadway air-pollution effects of diesel trucks, noise & vibration; **and the environmental impacts caused by heavy-trucks are not excluded from the CEQA process.**

The 2017 Plan Hermosa FEIR failed to assess the *cumulative* environmental impacts of heavy-trucks on **vulnerable** roadways, the combined effect of past & present *city-approved* projects as well as the impact of future downtown business expansion, commercial & residential land-use policies on truck traffic in residential neighborhoods.

Attachment A. is a letter I sent to the Easyreader News that provide some specifics to back up my claim.

Attachment B. shows pictorial evidence of the safety risks associated with using 27th Street as a de facto truck-route.

As I have stated many times, Increasingly, 27th is being used to serve Hermosa Ave and Plaza Area Business Delivery Trucks. The truckers simply don't want to deal with all the stop signs and crosswalks on Pier Avenue, unless they are also making a delivery on Pier Avenue itself.

And to make matters worse the city allowed Redondo Beach to install berms on Herondo Avenue, on the Hermosa Beach side of the city boundary no less, that restrict & discourage heavy delivery trucks from using Herondo to access Hermosa Ave north; by making the wide right turns impossible or at the very least extremely difficult for large trucks. The trucks that have great-difficulty negotiating these city-approved berms on Herondo include big rigs and large construction trucks like crane-carriers and 50 ft. flatbeds hauling steel I-beams and other building supplies and so forth. ..



Even a 40-foot box truck has difficulty negotiating this turn without running up on the handicapped ramp area of the sidewalk.

There are easy solutions to this problem. Remove the berms or remove the parking spaces that border the berm area.

The Herondo berms coupled with the central business district restriction on heavy construction trucks on Pier (HBMC 10.12.120B) and all the stop signs on Pier have left 27th Street to serve not only North Hermosa's Construction Truck traffic, but the entire west-side including both South & Central Hermosa Beach.

So, both business delivery and construction truck flows within our city have been impacted by city planned activities and the environmental impacts to 27<sup>th</sup> street have been significant.

27th Street has always been a busy residential-street and as a result it's quality of life and property value were slightly depressed relative to much of North Hermosa.

But historically the main impact to property values and quality of life on 27th was heavy automotive traffic, NOT heavy-truck traffic & long-failing roads.

It's time for the city to recognize that the residents of 27th have due-process rights under CEQA; and give us the CEQA compliant analysis of the environmental impacts heavy trucks are having on vulnerable roads, and to identify and select possible mitigations to the safety, noise, vibration and near-roadway diesel pollution effects these large trucks bring to our steep narrow street.

Thank You,  
Anthony Higgins

# Attachment A

## Letter to Easy Reader News

easyreadernews.com

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### Reroute Pier hotel trucks

by **Anthony Higgins**

**H**ow could the project-contractor for the Strand & Pier Hotel in downtown Hermosa Beach have possibly recommended 27th Street for the estimated 7,000 heavy truck trips be needed to build the hotel? Pier Avenue is the truck-route meant to service the central business district needs.

If Pier Avenue were to be used, there would be virtually no health or quality of life impacts on residents. The hotel project's two to three year burden would be placed where it belongs, on those primarily benefiting from the hotel project -- the business district.

If the Pier Avenue truck-route can't be used because of Chamber of Commerce objections, then the Herondo (190th Street)/ Hermosa Avenue route would use roads that are flatter and wider than 27 Street.

will be brought about by the hotel's 7,000, heavy-truck trips.

Noise, vibration and near-roadway pollution disperse at approximately the "square of the distance," meaning even small distance differences, say a home 10 feet from the truck traffic and a home 50 feet from this same traffic experience have significantly different negative effects.

Why wasn't Pier or Herondo Avenue selected by the project contractor?

The answer is simple.

The actions the city has taken on Pier Avenue, Hermosa Avenue and Herondo have systematically routed more and more truck-traffic to 27th

The basis for this claim can be found by simply looking at the effects of all the stop signs on Pier Avenue, the berms on Herondo that restrict heavy trucks from making wide-right turns from Herondo Street to Hermosa



## **Reroute Pier Hotel Trucks**

How could the Strand & Pier Hotel project-contractor have possibly recommended 27th Street for the estimated 7,000 heavy-truck trips needed to build this hotel?

Pier Avenue is the truck-route meant to service downtown Hermosa Beach.

If the Pier Avenue Truck-Route were used there would be virtually no residential health or quality of life impacts. The hotel project's two to three-year burden would be placed where it belongs, on those primarily benefiting from the hotel project; the business district.

If the Pier Avenue truck-route can't be used because of Chamber of Commerce objections, then the Herondo/Hermosa Avenue route would use roads that are flatter and wider than 27 Street.

Herondo does not border a heavily utilized park like on 27th Street (Valley Park), and on Herondo trucks don't run just inches from a steep, narrow and obstructed sidewalk. Moreover, the vast majority of homes on Herondo are five to ten times further from the traffic and the consequent noise, vibration and near-roadway pollution.

Noise, vibration, and near-roadway pollution disperse at approximately the square-of-the-distance, meaning even small distance differences have a large impact; e.g. a home 10 feet from the truck traffic versus a home 50 feet from this same traffic experience significantly different negative effects.

Why wasn't Pier or Herondo Avenue selected by the Pier Hotel Project Contractor?

The answer is simple.

The actions the city has taken on Pier Avenue, Hermosa Avenue, and Herondo have systematically routed more and more truck-traffic to 27<sup>th</sup>.

The basis for this claim can be found by simply looking at the effects of all the stop signs on Pier Avenue, the berms on Herondo that restrict heavy trucks from making wide-right turns and the recent curb-extensions installed on Hermosa Avenue at 14th Street that restrict large trucks serving Hermosa Avenue business from using Pier Avenue for egress.

These trucks now just continue up to 27th street and use Artesia Boulevard for egress instead of using Pier Avenue.

Essentially, the city has created a de facto truck route on 27th despite the ‘Commercial Trucks over 3 Tons Prohibited’ signs posted east and westbound since the mid-1980s.

And the berms installed on Herondo that prevent or discourage wide right turns by large construction trucks, big rigs and crane-carriers mean even more of the largest construction trucks are using 27<sup>th</sup> street’s steep-narrow roadway to service commercial and residential construction jobs not just in North Hermosa but **South** and **Central** Hermosa as well. And the truckers are doing this with impunity.

The city has not issued a single ticket to an overweight truck since the signs were posted on 27<sup>th</sup> in the mid 1980’s

To add to the confusion, the 2017 Plan-Hermosa EIR specifically excluded the 27th Street between Morningside Drive and Manhattan Avenue from the EIR’s road-segment analysis section.

Why would the city exclude one of the busiest, narrowest, steepest road segments from a safety, near-roadway pollution, noise, and vibration section of the EIR?

Once again, the answer is simple.

The city knew that 27th street could not meet the minimum acceptable safety standards for a truck-route, but the city needed 27th as a new truck route to serve Hermosa Avenue and Plaza area businesses given the changes made to Pier Avenue, Longfellow, Hermosa Avenue, and Herondo over the years

The omission of 27th Street from the road segment analysis in the 2017 Plan-Hermosa EIR from was inexcusable.

This process-error may leave 2017 Plan-Hermosa EIR and downtown business development plans standing on a “legal house of cards,” which, if pursued, could lead the courts to overturn the HB General Plan.

Finally, Plan-Hermosa called for maintaining the cities small town beach appeal while promoting the downtown business district. But that’s not what is happening.

The city government, the Chamber of Commerce and the downtown business district are in a feeding-frenzy with new bed-taxes, tobacco taxes and now they want to turn downtown Hermosa into the next great thing; a “must-visit” convention center location with all the amenities the beautiful beaches can offer.

The problem is the Chamber of Commerce and the City Bureaucracy are feeding-on the resident’s quality of life. And that’s not theirs to sell!

Anthony Higgins.

Attachment B.  
27th Street Truck Safety Hazards

INTENTIONALLY BLANK

Done 27th st enforcement and Plan Her...

Category: SAFETY

Risk: Heavy Trucks on Narrow Road with Obstructed sidewalk

Comments: 1. Steep Hill with No Curbside Parking Buffer, Trucks Run at Curbside  
2. Crest of Hill Creates Blind Spot.  
3. Similar Blind spots do not exist on Herondo or Pier Ave  
4. Blindspot endangers Pedestrians and Cyclists coming from Artesia.  
5. 27th is a Heavily Damaged and Failing Road. (Safety Implications?)  
6. Posted Signs - No Commercial Vehicles over 3 Tons



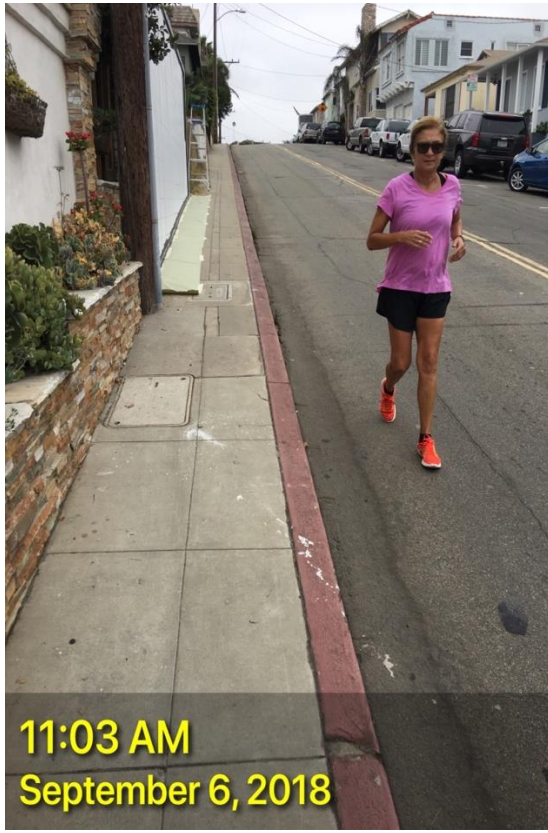
Risk: Narrow Obstructed Sidewalk Images

Comment: 1. 27th street's narrow sidewalk obstructed by telephone poles  
2. In places there is less than 19 inches clearance to curb  
3. Baby Strollers have difficulty fitting by poles when trucks pass



Hardly Room for Small Dog much Less Baby Stroller  
And the Plaza Hotel Contractor wants to add 7,500 Heavy Trucks!





11:03 AM  
September 6, 2018







## Staff Report

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### Staff Report

REPORT 19-0044

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### Honorable Mayor and Members of the Hermosa Beach City Council Regular Meeting of January 22, 2019

#### CITY COUNCIL MEETING MINUTES

(Deputy City Clerk Linda Abbott)

#### Recommended Action:

Staff recommends that the City Council approve the following minutes:

1. Adjourned Regular meeting of June 5-June 6, 2015
2. Special meeting of January 9, 2016
3. Special meeting of February 23, 2016
4. Adjourned Regular meeting of March 2, 2016
5. Adjourned Regular meeting of March 17, 2016
6. Adjourned Regular meeting of March 19-March 20, 2016
7. Adjourned Regular meeting of April 17, 2016
8. Adjourned Regular meeting of June 1, 2016
9. Special meeting of July 6, 2016
10. Adjourned Regular meeting of August 24, 2016
11. Adjourned Regular meeting of September 17, 2016
12. Adjourned Regular meeting of November 2, 2016
13. Adjourned Regular meeting of April 24, 2018
14. Special meeting of October 29, 2018\*
15. Regular meeting of December 11, 2018

\*Tri-Cities/Beach Cities Health District Living Streets Design Manual (minutes prepared by Redondo Beach City Clerk's Office)

#### Attachments:

15 sets of minutes listed above

**Submitted by:** Linda Abbott, Deputy City Clerk

**Noted:** Suja Lowenthal, City Manager

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

### LEADERSHIP, STRATEGIC AND GOVERNANCE WORKSHOP

Friday, June 5, 2015 - 8:30 a.m. - 5:00 p.m.  
Saturday, June 6, 2015 - 8:30 a.m. - 5:00 p.m.

### Council Chambers

#### City Council

*Mayor  
Peter Tucker*

*Mayor Pro Tem  
Nanette Barragan*

*Councilmembers  
Carolyn Petty  
Hany Fangary  
Michael DiVirgilio*



**FRIDAY, JUNE 5, 2015**

(8:00 A.M. - BREAKFAST)

**8:30 A.M. - MORNING SESSION****CALL TO ORDER IN COUNCIL CHAMBERS** 8:30 a.m.**PLEDGE OF ALLEGIANCE****ROLL CALL**

*Present: Barragan, DiVirgilio, Fangary, Petty, Mayor Tucker*  
*Absent: None*

**1. 15-0408 PUBLIC COMMENT:****2. 15-0409 WORKSHOP OVERVIEW**

Purpose/Outcomes

Agenda

**Attachments:** [Leadership & Teamwork - Insights](#)**RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM** 9:30  
a.m.**9:30 A.M. - CLOSED SESSION (TIME IS APPROXIMATE)**

**3. 15-0410 PUBLIC EMPLOYEE PERFORMANCE EVALUATION AND  
PERSONNEL COMPLAINT FILED BY KATRINA BACALLAO ON MAY  
4, 2015 REGARDING RESPONSE TO PUBLIC RECORDS REQUEST  
Government Code Section 54957  
Title: City Manager**

**Attachments:** [SUPPLEMENTAL Letter from Ron Siegel regarding agenda item 15-0410 \(added 6-4-15 at 12pm\)](#)[SUPPLEMENTAL Letter from Sheryl Main regarding agenda item 15-0410 \(added 6-4-15 at 12pm\)](#)[SUPPLEMENTAL Letter from Ron Siegel regarding dwindling confidence \(added 6-4-15 at 12pm\)](#)

**4. 15-0473 CONFERENCE WITH LABOR NEGOTIATOR  
Government Code Section 54957.6**

**City Negotiator:** City Manager**Employee****Organizations:** Hermosa Beach Police Officers' Association  
Hermosa Beach Firefighters' Association

*Teamsters Union, Local 911  
Professional and Administrative Employee Group  
Hermosa Beach Management Association  
Hermosa Beach Professional Engineers Bargaining Group  
Unrepresented Employees*

**ADJOURNMENT OF CLOSED SESSION** 12:05 p.m.

(NOON – LUNCH BREAK)

**1:00 P.M. – AFTERNOON SESSION****CALL TO ORDER IN COUNCIL CHAMBERS** 1:03 p.m.**5. 15-0411 STRATEGIC PLANNING FOR CITY OF HERMOSA BEACH:  
OVERVIEW**

*Key Elements  
Re-Connecting the “Dots”*

**Attachments:** [Strategic Planning for City of Hermosa Beach](#)

[Strategic Planning 2014-2019-2029](#)

**6. 15-0412 PERFORMANCE REPORT 2014-2015**

*City Achievements  
Departmental Achievements*

**Attachments:** [Status Report on Strategic Plan Action Agenda](#)

[Performance Report 2014-2015 \(working document\)](#)

[4-26-16 CS Agenda.pdf](#)

**7. 15-0413 LOOKING TO HERMOSA BEACH’S FUTURE**

*Hermosa Beach Today  
Success in 2020: Individual Perspective  
Actions for 2015: Individual Perspective  
Departmental View*

**Attachments:** [Looking to Hermosa Beach's Future \(working document\)](#)

[Hermosa Beach Vision 2030 \(working document\)](#)

**8. 15-0414 STRATEGIC DISCUSSION ON CRITICAL TOPICS**

**Attachments:** [Strategic Discussion on Critical Issues](#)

**ADJOURNMENT OF WORKSHOP - DAY ONE** 4:57 p.m.**SATURDAY, JUNE 6, 2015**

(8:00 A.M. - BREAKFAST)

**8:30 A.M. - MORNING SESSION****CALL TO ORDER IN COUNCIL CHAMBERS** 8:30 a.m.**PLEDGE OF ALLEGIANCE****ROLL CALL**

*Present: DiVirgilio, Fangary, Petty, Mayor Tucker*  
*Absent: Barragan (arrived 9:23 a.m.)*

**9. 15-0415 PUBLIC COMMENT:**

- 10. 15-0416 PLAN 2015-2020: UPDATE**  
Goals 2020; Review, Re-Prioritize  
FOR EACH GOAL:  
Objectives: Review, Revision, Priority  
Challenges and Opportunities: Review, Revision/Update, Priority  
Actions 2015: Status, Expectations, Key Issues, Activities, Priority

**Attachments:** [Draft Plan in Brief 2015](#)

[SUPPLEMENTAL Letter from Councilman Fangary \(added 8-11-15 at 2pm\)](#)

[UPDATED SUPPLEMENTAL SP 2015-2020-2030 \(added 8-11-15 at 4pm\)](#)

[UPDATED SUPPLEMENTAL Action Agenda 2015-2016 \(added 8-11-15 at 6pm\)](#)

**(NOON – LUNCH BREAK)**

**1:00 P.M. – AFTERNOON SESSION**

- 15-0416 PLAN 2015-2020: UPDATE**  
Goals 2020; Review, Re-Prioritize  
FOR EACH GOAL:

Objectives: Review, Revision, Priority

Challenges and Opportunities: Review, Revision/Update, Priority

Actions 2015: Status, Expectations, Key Issues, Activities, Priority

**Attachments:** [Draft Plan in Brief 2015](#)

[\*SUPPLEMENTAL Letter from Councilman Fangary \(added 8-11-15 at 2pm\)\*](#)

[\*UPDATED SUPPLEMENTAL SP 2015-2020-2030 \(added 8-11-15 at 4pm\)\*](#)

[\*UPDATED SUPPLEMENTAL Action Agenda 2015-2016 \(added 8-11-15 at 6pm\)\*](#)

*(Continued from Morning Session)*

**ADJOURNMENT OF WORKSHOP** *4:33 p.m.*

**Elaine Doerfling**  
**City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Special Meeting Minutes

**Saturday, January 9, 2016  
8:00 AM  
Issue Papers Study Session**

### City Council

*Mayor  
Carolyn Petty*

*Mayor Pro Tem  
Hany Fangary*

*Councilmembers  
Justin Massey  
Jeff Duclos*

**CALL TO ORDER** 8:11 a.m.

**PLEDGE OF ALLEGIANCE** Peter Tucker

**ROLL CALL**

*Present: Duclos, Fangary, Massey, Mayor Petty  
Absent: None*

**PUBLIC COMMENT**

**SUPPLEMENTAL WRITTEN COMMUNICATION REGARDING  
THE JANUARY 9, 2016 SPECIAL MEETING AGENDA**

**Attachments:** [1. SUPPLEMENTAL Letter from Fred Huebscher dated January 7, 2016 regarding the January 9, 2016 Special Meeting Agenda](#)  
[2. SUPPLEMENTAL Letter from Hermosa Beach Chamber of Commerce and Visitors Bureau regarding Report 16-0016, 16-0005, 16-0023, 16-0008 and 16-0018](#)

*It was Council consensus to receive and file the supplemental written communications regarding the January 9, 2016 Special Meeting Agenda.*

**1. ISSUE PAPERS**

**1a) REPORT                      ISSUE PAPER - STAFF RESOURCES & QUALITY OF WORK  
16-0001    EXPECTATIONS**

(City Manager Tom Bakaly)

**Attachments:** [Strategic Plan and Action Agenda Tracking – October 2015](#)

**1b) REPORT                      ISSUE PAPER - LONG TERM FINANCIAL PLAN (LINKED TO CITY  
16-0021    INFRASTRUCTURE AND FACILITIES NEEDS) AND DEBT POLICIES**

(Finance Director Viki Copeland)

**1c) REPORT                      ISSUE PAPER - DRAFT PLAN HERMOSA, THE CITY'S GENERAL  
16-0002    PLAN AND LOCAL COASTAL PROGRAM - HOT TOPICS**

(Community Development Director Ken Robertson)

**1d) REPORT                      ISSUE PAPER -CITY FACILITIES STRATEGIC PLAN  
16-0003    (City Manager Tom Bakaly)**

- 1e) **REPORT**                      **ISSUE PAPER - STREET, SEWER, STORMWATER PROJECT  
16-0016**                      **INTEGRATION**  
(Public Works Director Andrew Brozyna)  
(Environmental Analyst Kristy Morris)

*This item was continued.*

- 1f) **REPORT**                      **ISSUE PAPER - EMPLOYEE COMPENSATION POLICY AND  
16-0004**                      **CONTRACTS**  
(Human Resources Manager Vanessa Godinez)

- 1g) **REPORT**                      **ISSUE PAPER - IMPLEMENTATION OF DOWNTOWN CORE  
16-0005**                      **REVITALIZATION STRATEGY**  
(Community Development Director Ken Robertson)

- 1h) **REPORT**                      **ISSUE PAPER - COMMUNITY POLICING, CRIME,  
16-0023**                      **AND DOWNTOWN ENFORCEMENT**  
(Police Chief Sharon Papa)

- 1i) **REPORT**                      **ISSUE PAPER - FIRE SERVICES DELIVERY  
16-0019**                      (Interim Fire Chief Pete Bonano)

**LUNCH BREAK**

(NOON)

- 1j) **REPORT**                      **ISSUE PAPER - CARBON NEUTRAL IMPLEMENTATION  
16-0024**                      (Environmental Analyst Kristy Morris)

**Attachments:**    [Hermosa Beach Municipal Carbon Neutral Plan \(February 2015\).pdf](#)  
[Hermosa Beach Municipal Carbon Neutral Plan - Executive Summary  
\(February 2015\).pdf](#)  
[Draft Solar Installation RFP \(123115\).docx](#)  
[Example Logos for City of Hermosa Beach CCA.pdf](#)  
[Brendle Group Memo - Municipal Carbon Neutrality Follow-up  
response to City Council Requests.pdf](#)  
[SUPPLEMENTAL Letter from Peggy Barr \(added 3-2-16 at 2pm\).pdf](#)

*This item was continued.*

- 1k) **REPORT** **ISSUE PAPER - ECONOMIC DEVELOPMENT UPDATE**  
**16-0018** (Management Analyst Nico De Anda-Scaia)

Attachments: [Economic Development Plan - Revised.doc](#)

- 1l) **REPORT** **ISSUE PAPER - COMMUNICATIONS**  
**16-0006** (Public Information Officer Katie Casey)

Attachments: [City of Hermosa Beach Communications Matrix - 2016](#)  
[Social Media Budget Estimate](#)

*This item was continued.*

- 1m) **REPORT** **ISSUE PAPER - COMMUNITY DIALOGUE DECISION MAKING TOOL**  
**16-0007** (City Manager Tom Bakaly)

Attachments: [Community Dialogue Finance Team Recommendations for Revenues and Opportunities](#)  
[Decision Making Tool](#)

*This item was continued.*

- 1n) **REPORT** **ISSUE PAPER - PACIFIC COAST HIGHWAY/AVIATION**  
**16-0008** (City Manager Tom Bakaly)

*This item was continued.*

## **2. ISSUE PAPERS ON TENTATIVE FUTURE AGENDA ITEMS FROM PRIOR CITY COUNCIL**

- 2a) **REPORT** **ISSUE PAPER - SHORT-TERM VACATION RENTALS**  
**16-0009** (City Attorney Michael Jenkins)  
(Community Development Director Ken Robertson)

Attachments: [Goal 8 of LUE - Draft General Plan](#)  
[Coastal Commission staff response re short term rentals](#)

- 2b) **REPORT** **ISSUE PAPER - HERMOSA BEACH STREET & ENTRY SIGN IMPROVEMENTS**  
**16-0017** (Management Analyst Nico De Anda-Scaia)

Attachments: [Signage Component - Conceptual Design and Master Plan - PCH-Aviation Corridor Street Improvements.pdf](#)



*This item was continued.*

**2c) REPORT      ISSUE PAPER - USE OF CITY PROPERTY FOR CITY CLASSES &  
16-0010                  GATHERINGS**

(Community Resources Manager Kelly Orta)

*This item was continued.*

2d)	REPORT 16-0028	ISSUE PAPER - ESTABLISHMENT OF A PROTOCOL FOR CITY COUNCIL AND COMMISSION MEETING MINUTES AS TO UNIFORMITY AND SPECIFICITY
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(City Clerk Elaine Doerfling)

**Attachments:**

- [CCAC Guidelines and Chart.pdf](#)
- [Council minutes of June 10 2014.pdf](#)
- [Council minutes of July 8 2014.pdf](#)
- [Municipal Code Chapter 17.68.pdf](#)
- [Initial Report and attachments.pdf](#)

*This item was continued.*

**ADJOURNMENT** 4:53 p.m.

**Elaine Doerfling**  
**City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Special/Regular Meeting Minutes

**Tuesday, February 23, 2016**

**5:00 PM**

**Closed Session - 5:00 PM**

**Study Session: Downtown Cost/Benefit Finance Analysis - 6:00  
Council Chambers  
PM**

**Regular Meeting - 7:00 PM**

### **City Council**

*Mayor  
Carolyn Petty*

*Mayor Pro Tem  
Hany Fangary*

*Councilmembers  
Justin Massey  
Jeff Duclos*

## NOTICE OF SPECIAL MEETING AND AGENDA

**5:00 P.M. - CLOSED SESSION**

(LOCATION: Meetings convene in the Council Chambers and move to the Second Floor Conference Room after Public Comment)

**CALL TO ORDER IN COUNCIL CHAMBERS** 5:03 p.m.

**ROLL CALL**

<i>Present:</i> Duclos, Fangary, Massey, Mayor Petty <i>Absent:</i> None
---

**PUBLIC COMMENT** None

**a) 16-0158 LETTERS REGARDING ITEM THREE ON THE FEBRUARY 23, 2016  
CLOSED SESSION AGENDA**

**Attachments:** [SUPPLEMENTAL Letter Submitted by Katrina Bacallao \(added 2-22-16 at 4pm\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Claudia Berman \(added 2-23-16 at 10am\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Ron Siegel \(added 2-23-16 at 10am\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Krista Capo \(added 2-23-16 at 3pm\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Jose Bacallao \(added 2-23-16 at 3pm\).pdf](#)

<p><u><b>Action</b></u> (taken during open session): To receive and file the five supplemental letters. Motion Massey, second Duclos. The motion carried by a unanimous vote.</p>
---

**RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM** 5:04 p.m.

**1. 16-0142 MINUTES:** Approval of minutes of Closed Session held on ~~January 26, 2016~~ February 9, 2016 (correction made 2-22-16 at 7pm).

**2. 16-0144 CONFERENCE WITH LABOR NEGOTIATOR**  
**Government Code Section 54957.6**  
**City Negotiator:** City Manager  
**Employee Organizations:** Hermosa Beach Firefighters' Association

3. 16-0145 **CONFERENCE WITH LEGAL COUNSEL: Existing Litigation  
Government Code Section 54956.9(d)(1)**

The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

Name of Case: Miller v. City of Hermosa Beach, et al.

United States District Court, Case Number: 2:15-CV-8464

4. 16-0146 **CONFERENCE WITH LEGAL COUNSEL: Anticipation of Litigation  
Government Code Section 54956.9(d)(2)**

A point has been reached where, in the opinion of the City Council on the advice of its legal counsel, there is a significant exposure to litigation against the City Council.

**Number of Potential Cases:** 1 (Vasilj Claim)

**ADJOURNMENT OF CLOSED SESSION** 6:00 p.m.

**6:00 P.M. – STUDY SESSION**

**CALL TO ORDER** 6:07 p.m.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

*Present: Duclos, Fangary, Massey, Mayor Petty*

*Absent: None*

1. **REPORT DRAFT COST BENEFIT ANALYSIS, DOWNTOWN**  
**16-0149** (Finance Director Viki Copeland)

**Attachments:** [Draft Downtown HB CBA 2-8-16](#)

[SUPPLEMENTAL Public Comments and Responses \(added 2-23-16 at 10am\).pdf](#)

**Action:** *To direct staff to work with Kosmont to address the issues and concerns raised by the public and Council in the two prior sessions and today, and to come back with either a Study Session or an agenda item with a revised report that addresses issues, and some suggestions or recommendations, for the next steps within a time frame that staff and Kosmont feels is appropriate.*

*Motion Fangary, second Duclos. The motion carried 3-1, noting the dissenting vote of Petty.*

**PUBLIC COMMENT**

**ADJOURNMENT OF STUDY SESSION** 7:27 p.m.

**7:00 P.M. - REGULAR AGENDA**

**CALL TO ORDER** 7:27 p.m.

**PLEDGE OF ALLEGIANCE** Adrienne Slaughter

**ROLL CALL**

<i>Present: Duclos, Fangary, Massey, Mayor Petty</i> <i>Absent: None</i>
---

**CLOSED SESSION REPORT**

<i>City Attorney Jenkins said there was no public comment received, no additions to the agenda, only one item was discussed, and there were no reportable actions.</i>
--

**ANNOUNCEMENTS**

**MISCELLANEOUS ITEMS AND REPORTS - CITY MANAGER**

**a) 16-0138 SOUTHERN CALIFORNIA EDISON RELIABILITY UPDATE**

**Attachments:** [SUPPLEMENTAL Information from SCE \(added 2-22-16 at 4pm\).pdf](#)

<i>City Manager Bakaly presented the update.</i>
--

**PROCLAMATIONS / PRESENTATIONS**

**a) 16-0139 LOCAL WINNERS OF THE COUNTY OF LOS ANGELES  
PUBLIC LIBRARY 2015 CHILDRENS BOOKMARK CONTEST**

**b) 16-0140 WATER CONSERVATION RULES AND REGULATIONS  
UPDATE FROM CALIFORNIA WATER SERVICE  
REPRESENTATIVE JAMES LAU**

**Attachments:** [SUPPLEMENTAL Presentation Feb 23 2016 \(added 2-23-16 at 12pm\).pptx](#)

c) 16-0141 **HERMOSA BEACH CHAMBER OF COMMERCE RECAPS  
2015 EVENTS, CONTRIBUTIONS AND GOALS**

**Attachments:** [SUPPLEMENTAL Presentation 2015 Chamber YIR \(added 2-23-16 at 1pm\).pptx](#)

**PUBLIC PARTICIPATION**

**1. ORAL AND WRITTEN COMMUNICATIONS:**

a) 16-0158 **LETTERS REGARDING ITEM THREE ON THE FEBRUARY 23, 2016  
CLOSED SESSION AGENDA**

**Attachments:** [SUPPLEMENTAL Letter Submitted by Katrina Bacallao \(added 2-22-16 at 4pm\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Claudia Berman \(added 2-23-16 at 10am\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Ron Siegel \(added 2-23-16 at 10am\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Krista Capo \(added 2-23-16 at 3pm\).pdf](#)

[SUPPLEMENTAL Letter Submitted by Jose Bacallao \(added 2-23-16 at 3pm\).pdf](#)

**Action:** To receive and file the five supplemental letters.  
Motion Massey, second Duclos. The motion carried by a unanimous vote.

**2. CONSENT CALENDAR:**

**Action:** To approve the consent calendar recommendations (a) through (k), with the exception of the following items, which were removed for discussion in item 4, but are shown in order for clarity. (c), (g) and (h), Fangary.  
Motion Fangary, second Duclos. The motion carried by a unanimous vote.

a) **REPORT MEMORANDUM REGARDING CITY COUNCIL MINUTES**  
**16-0147** (City Clerk Elaine Doerfling)

**Action:** To receive and file the City Clerk's memorandum.

b) **REPORT CHECK REGISTERS**  
**16-0143** (Finance Director Viki Copeland)

**Attachments:** [02-01-16](#)  
[02-04-16](#)

02-11-16

**Action:** To ratify the above-listed check registers.

- c) REPORT TENTATIVE FUTURE AGENDA ITEMS DATED FEBRUARY 18, 2016**  
**16-0153 (Continued from meeting of February 23, 2016)**

**Attachments:** [Tentative Future Agenda.doc](#)

*This item was continued.*

- d) **REPORT** **REVENUE AND EXPENDITURE REPORTS FOR DECEMBER 2015**  
**16-0154** (Finance Director Viki Copeland)

**Attachments:** [dec 2015 revenue report](#)  
[dec 2015 expenditure report](#)

**Action:** To receive and file the December 2015 Financial Reports.

- e) **REPORT** **CITY TREASURER'S AND CASH BALANCE REPORT**  
**16-0155** *(Finance Director Viki Copeland)*

**Action:** To receive and file the memorandum.

- f) REPORT** **CANCELLATION OF CERTAIN CHECKS**  
**16-0135** (City Treasurer Karen Nowicki)

**Action:** To approve the cancellation of certain checks.

- g) REPORT ACTION SHEET OF THE PLANNING COMMISSION MEETING OF  
16-0151 FEBRUARY 16, 2016**

**Attachments:** Planning Commission Action Sheet 2-16-16.pdf

**Action:** To receive and file the action sheet of the Planning Commission meeting of February 16, 2016.

*Motion Fangary, second Massey. The motion carried by a unanimous vote.*

- h) REPORT PLANNING COMMISSION TENTATIVE FUTURE AGENDA ITEMS***  
***16-0152 (Continued from meeting of February 23, 2016)***  
 (Community Development Director Ken Robertson)

**Attachments:** Planning Commission Tentative 3-15-16 Agenda.pdf

*This item was continued.*

- i) **REPORT** **AWARD PROFESSIONAL SERVICES**  
**16-0136** **AGREEMENT TO M6 CONSULTING, INC.**  
**FOR ON-CALL PROFESSIONAL LAND**  
**DEVELOPMENT SERVICES**  
(Public Works Director Andrew Brozyna)

**Attachments:** [PSA 15.xxxx M6 Consulting 2-17-2016](#)

[M6 proposal attach 2](#)

[M6 proposal attach 3](#)

[Attachment 4 - Fee schedules from HR Green](#)

**Action:** To award a Professional Services Agreement (PSA) to M6 Consulting, Inc. to provide on-call professional land development services for the not-to-exceed amount of \$250,000 for three (3) years.

- j) **REPORT** **PROJECT STATUS REPORT AS OF JANUARY 31, 2016**  
**16-0134** (Public Works Director Andrew Brozyna)

**Attachments:** [CIP Project Status Report JAN 2016](#)

**Action:** To receive and file the Project Status Report as of January 31, 2016.

- k) **REPORT** **REVIEW OF CITY PROSECUTOR PERFORMANCE**  
**16-0127** (Police Chief Sharon Papa)

**Action:** To receive and file the report regarding first year contractual performance of City Prosecutors.

### 3. **CONSENT ORDINANCES** None

### 4. **ITEMS REMOVED FROM THE CONSENT CALENDAR FOR SEPARATE DISCUSSION**

*Items 2c, 2g and 2h were heard at this time but are shown in order for clarity.*

### 5. **PUBLIC HEARINGS**

- a) **REPORT** **TEXT AMENDMENT TO EXPRESSLY PROHIBIT ALL COMMERCIAL**  
**16-0137** **MARIJUANA LAND USES THROUGHOUT THE CITY, INCLUDING**



***DELIVERY SERVICES AND THE COMMERCIAL OR PERSONAL CULTIVATION OF MARIJUANA FOR MEDICAL USE***

*(Community Development Director Ken Robertson)*

**Attachments:** [Medical Marijuana Regulation 2015 - Ordinance.pdf](#)

**Planning Commission Resolution No. 16-4.pdf**

[Planning Commission Staff Report and Minutes 1-19-16.pdf](#)

*The public hearing opened at 9:35 p.m.*

*The public hearing closed at 9:51 p.m.*

**Action:** To waive full reading and introduce Ordinance No. 16-1362, entitled “**AN ORDINANCE OF THE CITY OF HERMOSA BEACH, CALIFORNIA, AMENDING SECTIONS 17.42.110 AND 17.26.030 OF THE HERMOSA BEACH MUNICIPAL CODE TO EXPRESSLY PROHIBIT ALL COMMERCIAL MEDICAL MARIJUANA USES IN THE CITY AND PROHIBITING CULTIVATION FOR MEDICAL USE BY A QUALIFIED PATIENT OR PRIMARY CAREGIVER.**”

*Motion Duclos, second Petty. The motion carried 3-1, noting the dissenting vote of Massey.*

***Additional Action:*** To continue tonight's meeting to 11:30 p.m.

*Motion Massey, second Petty. The motion carried by a unanimous vote.*

## 6. MUNICIPAL MATTERS

- a) **REPORT 2014-15 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**  
**16-0095 (Including Report from Independent Auditor)**  
***(Continued from meeting of January 26, 2016)***  
 (Finance Director Viki Copeland)

**Attachments:** FINAL2015\_Hermosa Beach\_CAFR\_FINAL\_12292015

[SUPPLEMENTAL Letter and Attachments from Jim Lissner \(added 2-22-16 at 4pm\).pdf](#)

**Action:** To receive and file the 2014-15 Comprehensive Annual Financial Report (CAFR), which includes the report from Pun & McGeady, LLP, our independent auditors.

*Motion Fangary, second Duclos. The motion carried by a unanimous vote.*

- b) REPORT MIDYEAR BUDGET REVIEW 2015-16**  
**16-0107 (Finance Director Viki Copeland)**

**Attachments:** Revenue Detail Report

### ***Additional Appropriations - Approved***

### CIP Detail Sheets

[Budget Summary Report](#)

[Midyear CIP Spreadsheet Revisions](#)

[Budget Transfers Report](#)

[Resolution - Increase to General Plan Maint Fees](#)

[City Council Travel and Benefits](#)

**Action:** To:

1. Approve the revisions to estimated revenue, appropriations, budget transfers and fund balances as shown herein and in the attached Revenue Detail Report, Additional Appropriations Report, Budget Transfers Report, and Budget Summary Report;
  2. Approve the additions of \$269,477 to the assigned fund balance for Contingencies in order to meet our target of 16% for this goal; and appropriate the remaining funds available of \$54,306 to Prospective Expenditures;
  3. Approve a transfer of funds in the amount of \$844,421 from the Insurance Fund to the Equipment Replacement Fund (ERF) to bring the balance to the goal amount in the ERF;
  4. Approve a transfer of funds in the amount of \$840,708 from the Insurance Fund to the Capital Improvement Fund;
  5. Approve a transfer of \$274,994 from the General Fund to the 2015 Lease Revenue Bond Fund for the May 1, 2016 interest payment;
  6. Approve a transfer of \$2,157,565 from the General Fund to the Capital Projects Fund from funds assigned for Debt Service 2014-15 (\$725,006 which is the balance after funds for the interest payment due is transferred) and 2015-16 (\$1,000,000) and unspecified contingencies (\$432,559);
  7. Adopt Resolution No. 16-7017, entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING GENERAL FUND COMMITMENTS OF FUND BALANCE FOR FISCAL YEAR 2015-2016,**" which reflects the revised amount for General Plan Maintenance Fees; and
  8. Receive and file the attached information about City Council travel and benefits.
- Motion Massey, second Duclos. The motion carried by a unanimous vote.

c) **REPORT                      PROPOSED REVISIONS TO THE SPEED HUMPS POLICIES, GUIDELINES, AND PROCEDURES**  
**16-0156**  
(Public Works Director Andrew Brozyna)

**Attachments:** [speed hump policies and guidelines and procedures FINAL wTR 2-18-16](#)

[speed hump policies and guidelines and procedures DRAFT 2-18-16](#)

[DRAFT action minutes 2-17-16](#)

[Item 8a Proposed Revisions to the Speed Hump Policies, Guidelines, and Procedures w Supplementals 1 and 2](#)

[SUPPLEMENTAL Memo and Attachments from Public Works Director Andrew Brozyna \(added 2-22-16 at 7pm\).pdf](#)

**Action:** *To adopt the proposed revisions to the City's Speed Humps Policies, Guidelines, and Procedures per the recommendation of the Public Works Commission. . Motion Duclos, second Massey. The motion carried by a unanimous vote.*

- d)      **REPORT                      REQUEST FOR INSTALLATION OF A SECOND SPEED CUSHION  
16-0157                      ON 16TH STREET BETWEEN MIRA STREET AND BONNIE BRAE  
STREET ADJACENT TO 1011 16th STREET**  
(Public Works Director Andrew Brozyna)

**Attachments:** [speed hump policies and guidelines and procedures Final for cc 16th  
st item 2-23-16](#)

**Action:** *To:*

1. Waive the requirement that 100% of the owners of residences adjacent to 1011 16<sup>th</sup> Street sign the petition for installation of a speed cushion at that location; and
2. Approve installation of a second speed cushion on 16th Street between Mira Street and Bonnie Brae Street adjacent to 1011 16th Street.

*Motion Duclos, second Petty. The motion carried 3-1, noting the dissenting vote of Massey.*

- e)      **REPORT                      RECOMMENDATION TO APPROVE THE ISSUANCE OF  
16-0148                      RESTRICTED TAXI LICENSES FOR A NOMINAL FEE OR AT NO  
COST TO TAXI DRIVERS WHO OPERATE WHEELCHAIR VANS  
AND ARE ALREADY PARTICIPATING IN A DIAL-A-TAXI OR  
SIMILAR PROGRAM IN A NEIGHBORING CITY**  
(Police Chief Sharon Papa)

**Attachments:** [SUPPLEMENTAL Letter Submitted by Jessica Guheen \(added  
2-23-16 at 3pm\).pdf](#)

[SUPPLEMENTAL Photo Submitted by Geoff Hirsch during meeting  
\(added 2-29-16\).pdf](#)

**Action:** *To approve the issuance of restricted taxi licenses, without additional franchise or licensing fees (i.e., at no cost), to taxi franchise drivers who operate vans equipped with wheelchair lifts and who are already participating in a Dial-A-Taxi or similar program in a neighboring city.*

*Motion Massey, second Fangary. The motion carried by a unanimous vote.*

## 7. MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS - CITY COUNCIL

None

## 8. OTHER MATTERS - CITY COUNCIL

None

**2015                      STRATEGIC PLAN** (For reference when considering Other Matters items)

**Attachments:** [2015 Plan in Brief](#)

[2014-2015 Performance Report](#)

[2015-2020-2030 Strategic Plan](#)

[2015 Action Agenda](#)

[Governance Guiding Principles and Protocols: Operating Guidelines  
Decision Making Tool](#)

**ADJOURNMENT**

*12:36 a.m. Wednesday, February 24, 2016*

**Elaine Doerfling  
City Clerk**

**Linda Abbott  
Deputy City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

**Wednesday, March 2, 2016**

**6:00 PM**

**Issue Papers Study Session  
(Continued from January 9, 2016)**

**Council Chambers**

### **City Council**

*Mayor  
Carolyn Petty*

*Mayor Pro Tem  
Hany Fangary*

*Councilmembers  
Justin Massey  
Jeff Duclos*

**ISSUE PAPERS STUDY SESSION****CALL TO ORDER** 6:00 p.m.**PLEDGE OF ALLEGIANCE****ROLL CALL**

*Present: Duclos, Fangary, Massey, Mayor Petty*  
*Absent: None*

**ANNOUNCEMENTS****PUBLIC COMMENT****1. ISSUE PAPERS (Continued from January 9, 2016)**

- a) **REPORT** **ISSUE PAPER - STREET, SEWER, STORMWATER PROJECT**  
**16-0016** **INTEGRATION**

(Public Works Director Andrew Brozyna)  
(Environmental Analyst Kristy Morris)

- b) **REPORT** **ISSUE PAPER - CARBON NEUTRAL IMPLEMENTATION**  
**16-0024** (Environmental Analyst Kristy Morris)

**Attachments:** [Hermosa Beach Municipal Carbon Neutral Plan \(February 2015\).pdf](#)  
[Hermosa Beach Municipal Carbon Neutral Plan - Executive Summary \(February 2015\).pdf](#)  
[Draft Solar Installation RFP \(123115\).docx](#)  
[Example Logos for City of Hermosa Beach CCA.pdf](#)  
[Brendle Group Memo - Municipal Carbon Neutrality Follow-up response to City Council Requests.pdf](#)  
[SUPPLEMENTAL Letter from Peggy Barr \(added 3-2-16 at 2pm\).pdf](#)

- c) **REPORT** **ISSUE PAPER - COMMUNICATIONS**  
**16-0006** **(Report Updated February 25, 2016)**  
(Public Information Officer Katie Casey)

**Attachments:** [City of Hermosa Beach Communications Matrix - 2016](#)  
[Social Media Budget Estimate](#)

- d) **REPORT** **ISSUE PAPER - COMMUNITY DIALOGUE DECISION MAKING TOOL**

**16-0007***(City Manager Tom Bakaly)*

**Attachments:** [Community Dialogue Finance Team Recommendations for Revenues and Opportunities](#)

[Decision Making Tool](#)

- e) **REPORT** **ISSUE PAPER - PACIFIC COAST HIGHWAY/AVIATION**  
**16-0008** *(City Manager Tom Bakaly)*

## **2. ISSUE PAPERS ON TENTATIVE FUTURE AGENDA ITEMS FROM PRIOR CITY COUNCIL (Continued from January 9, 2016)**

- a) **REPORT** **ISSUE PAPER - HERMOSA BEACH STREET & ENTRY SIGN IMPROVEMENTS**  
**16-0017**

*(Management Analyst Nico De Anda-Scaia)*

**Attachments:** [Signage Component - Conceptual Design and Master Plan - PCH-Aviation Corridor Street Improvements.pdf](#)

- b) **REPORT** **ISSUE PAPER - USE OF CITY PROPERTY FOR CITY CLASSES & GATHERINGS**  
**16-0010**

*(Community Resources Manager Kelly Orta)*

- c) **REPORT** **ISSUE PAPER - ESTABLISHMENT OF A PROTOCOL FOR CITY COUNCIL AND COMMISSION MEETING MINUTES AS TO**  
**16-0028**

**UNIFORMITY AND SPECIFICITY**

*(City Clerk Elaine Doerfling)*

**Attachments:** [CCAC Guidelines and Chart.pdf](#)  
[Council minutes of June 10 2014.pdf](#)  
[Council minutes of July 8 2014.pdf](#)  
[Municipal Code Chapter 17.68.pdf](#)  
[Initial Report and attachments.pdf](#)

## **3. ADDITIONAL ISSUE PAPERS**

- a) **REPORT** **ISSUE PAPER - OPTIONS RELATED TO STAFF TIME & COST AND COUNCIL DIRECTION REGARDING THE PROPOSED WEST BASIN MUNICIPAL WATER DISTRICT DESALINATION PROJECT, AND THE RELATED EIR AND OTHER UPCOMING ACTIVITIES, INCLUDING**  
**16-0160**

**PROVIDING COMMENTS RELATING TO THE EIR, AND  
EVALUATING TAKING A POSITION IN SUPPORT OF OR IN  
OPPOSITION TO, THE PROPOSED DESALINATION PROJECT**  
(Environmental Analyst Kristy Morris)

**Attachments:**

- [1 Proposed Location of the WBMWD Desal Project.pdf](#)
- [2 January 26 Staff Report and Attachments.pdf](#)
- [3 City of El Segundo Response.docx](#)
- [4 SUPPLEMENTAL Letter from City of Manhattan Beach \(added 2-29-16 at 7pm\).pdf](#)
- [5 SUPPLEMENTAL Letter from Heal the Bay \(added 3-2-16 at 5pm\).pdf](#)
- [6 SUPPLEMENTAL Letter from Surfrider Foundation \(added 3-2-16 at 5pm\).pdf](#)

**b) REPORT      ISSUE PAPER - PROCESS FOR NON-PROJECT CONTRACTS**  
**16-0162      (Finance Director Viki Copeland)**

**Attachments:** [Contract Services - Budget Non-Project Contracts](#)  
[Admin Memo F13 - Professional Services, Revised 6-15](#)  
[San Luis Obispo Purchasing Guidelines](#)  
[SUPPLEMENTAL Memo from Viki Copeland \(added 3-2-16 at 5pm\).pdf](#)

***PUBLIC COMMENT***

**ADJOURNMENT** 8:29 p.m.

**Elaine Doerfling**  
**City Clerk**

**Linda Abbott**  
**Deputy City Clerk**



# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

**Thursday, March 17, 2016**

**6:00 PM**

**Election Results  
and  
Installation of New Councilmember**

**Council Chambers**

### **City Council**

*Mayor  
Carolyn Petty*

*Mayor Pro Tem  
Hany Fangary*

*Councilmembers  
Justin Massey  
Jeff Duclos*

**6:00 P.M. - ADJOURNED MEETING AGENDA**

**CALL TO ORDER** 6:01 p.m.

**PLEDGE OF ALLEGIANCE**

**NATIONAL ANTHEM**

**ROLL CALL**

*Present: Duclos, Fangary, Massey, Mayor Petty*  
*Absent: None*

**CANVASS OF VOTES AND INSTALLATION OF OFFICER**

- a) **CERTIFIED RESULTS OF THE CANVASS OF VOTES FOR THE SPECIAL  
MUNICIPAL ELECTION OF MARCH 1, 2016,  
AND INSTALLATION OF THE ELECTED OFFICER**  
(City Clerk Elaine Doerfling)

**Attachments:** [SUPPLEMENTAL Election Results \(added 3-17-16 at 4pm\).pdf](#)

**Action:** *To adopt Resolution No. 16-7019, entitled “**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, RECITING THE FACT OF THE SPECIAL MUNICIPAL ELECTION HELD TUESDAY, MARCH 1, 2016, DECLARING THE RESULT AND OTHER SUCH MATTERS AS PROVIDED BY LAW.**”*  
*Motion Duclos, second Fangary. The motion carried by a unanimous vote.*

*City Clerk Doerfling administered the Oath of Office to newly-installed Councilmember Stacey Armato.*

**ANNOUNCEMENTS**

**PUBLIC PARTICIPATION:**

**ADJOURNMENT** 6:23 p.m.

**Elaine Doerfling**  
**City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

**Saturday, March 19, 2016**

**9:00 AM**

**Strategic Planning Workshop**

**March 19, 2016, 9:00am-3:30pm**

**March 20, 2016, 9:00am-4:00pm**

**Council Chambers**

### **City Council**

*Mayor  
Carolyn Petty*

*Mayor Pro Tem  
Hany Fangary*

*Councilmembers  
Justin Massey  
Jeff Duclos  
Stacey Armato*

**9:00 A.M. - SATURDAY, MARCH 19, 2016**

(8:30 A.M. - BREAKFAST)

**CALL TO ORDER** 9:00 a.m.**PLEDGE OF ALLEGIANCE****ROLL CALL**

*Present: Armato, Duclos, Fangary, Massey, Mayor Petty*  
*Absent: None*

**ANNOUNCEMENTS****PUBLIC PARTICIPATION (9:00AM-9:30AM):****16-0223****WRITTEN COMMUNICATION**

**Attachments:** [SUPPLEMENTAL Letter and Attachment from Jim Lissner \(added 3-17-16 at 7pm\).pdf](#)

*It was Council consensus to receive and file the written communication from Jim Lissner.*

**1. 2015 DEPARTMENT SUCCESSES AND 2015 STRATEGIC PLANNING ACTION AGENDA UPDATE (9:30AM - 10:00AM)**

**Attachments:** [1. 2015 Department Successes.doc](#)  
[2. 2015 Strategic Plan Action Agenda Tracking Update.pdf](#)

**2. GOVERNANCE ISSUES (10:00AM - 2:00PM)**

**Attachments:** [1. 2015 Governance Operating Guidelines.pdf](#)  
[2. Community Dialogue Decision Making Tool Issue Paper of March 2, 2016.pdf](#)  
[3. Meeting Minutes Issue Paper of March 2, 2016.pdf](#)  
[4. Process for Non-Project Contracts Issue Paper and Attachments-Updated March 14, 2016.pdf](#)  
[5. South Bay Workforce Investment Board Quarterly Summary of March 8, 2016.pdf](#)  
[6. SUPPLEMENTAL Strategic Plan 2015-2020-2030 \(added 3-17-16 at 11am\).pdf](#)

**2a) Governance Topics 2015**

**2b) Guiding Principles Revisions**

**(NOON - 30 MINUTE BREAK)**

**2c) House Rules/Protocols Revisions**

- Agenda Setting Process
- Use of Decision Tool in Staff Reports
- Meeting Management
- Meeting Schedule & Timing
- Minutes
- Spokesperson on City Matters
- City Bidding and RFP Process
- Interns from South Bay Workforce Investment Board-Use by City Council

**3. CONFIRM VISION 2013 - 15 YEARS (2:00PM - 3:00PM)**

**Attachments:** [SUPPLEMENTAL PLAN Hermosa Information \(added 3-17-16 at 7pm\).pdf](#)

[SUPPLEMENTAL Hermosa Beach Carbon Planning Tool \(added 3-17-16 at 7pm\).xlsm](#)

**PUBLIC PARTICIPATION (3:00PM-3:30PM)**

**ADJOURNMENT OF WORKSHOP - DAY 1** 3:44 p.m.

**9:00 A.M. - SUNDAY, MARCH 20, 2016**

**(8:30 A.M. - BREAKFAST)**

**CALL TO ORDER** 9:00 a.m.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

*Present: Armato, Duclos, Fangary, Massey, Mayor Petty*  
*Absent: None*

**ANNOUNCEMENTS**

**PUBLIC PARTICIPATION (9:00AM-9:30AM):**

**4. CONFIRM GOALS 2021 - 5 YEARS (9:30AM - 10:00AM)**

*This item was continued.*

**5. PRIORITIZE 2016 ACTIONS - 1 YEAR (10:00AM - 3:30PM)**

**Attachments:** [SUPPLEMENTAL Letter from Hermosa Beach Little League President Dunham Stewart \(added 3-17-16 at 11am\).pdf](#)

*This item was continued.*

**(NOON - 30 MINUTE BREAK)**

**PUBLIC PARTICIPATION (3:30PM-4:00PM)**

**ADJOURNMENT OF WORKSHOP - DAY 2** *3:33 p.m.*

**Elaine Doerfling**  
**City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

**Sunday, April 17, 2016  
9:00 AM**

### Council Chambers

#### City Council

*Mayor  
Carolyn Petty*

*Mayor Pro Tem  
Hany Fangary*

*Councilmembers  
Justin Massey  
Jeff Duclos  
Stacey Armato*

Strategic Planning Workshop - Continued from March 19-20, 2016 9:00 AM - 4:00PM  
(8:30 AM - BREAKFAST)

**CALL TO ORDER** 9:00 a.m.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

*Present: Duclos, Fangary, Massey, Mayor Petty*  
*Absent: Armato (arrived 9:12 a.m.)*

**ANNOUNCEMENTS**

**PUBLIC PARTICIPATION (9:00AM-9:30AM):**

**1. 16-0258 REVIEW PROTOCOLS & VISION (9:30AM - 10:30AM)**

**Attachments:** [SUPPLEMENTAL Section 6 - Revised Draft Vision Updated 4-15-16](#)  
[SUPPLEMENTAL Section 7 - Summary HB City Government Mission & Services Updated 4-15-16](#)  
[SUPPLEMENTAL Section 10 - Summary Governance Mayor & Council in Action Updated 4-15-16](#)

**2. 16-0259 CONFIRM GOALS 2021 - 5 YEARS (10:30AM - 2:00PM)**

**Attachments:** [SUPPLEMENTAL Section 8 - Plan 2016-2021 Updated 3-18-16](#)

**(NOON - 30 MINUTE BREAK)**

**3. 16-0260 PRIORITIZE 2016 ACTIONS - 1 YEAR (2:00PM - 3:30PM)**

**Attachments:** [SUPPLEMENTAL Letter from Hermosa Beach Little League President Dunham Stewart \(added 3-17-16 at 11am\).pdf](#)  
[SUPPLEMENTAL Letter from Robert Fortunato \(added 4-14-16 at 4pm\).pdf](#)

*Councilmember Armato left the meeting at 2:41 p.m.*

**PUBLIC PARTICIPATION (3:30PM-4:00PM)**

**ADJOURNMENT** 4:08 p.m.

**Elaine Doerfling**  
**City Clerk**



# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

**Wednesday, June 1, 2016**

**6:00 PM**

**Closed Session-6pm**

**Study Session-7pm**

**(Community Choice Aggregation Update and Budget Review)**

**Council Chambers**

### **City Council**

*Mayor  
Carolyn Petty*

*Mayor Pro Tem  
Hany Fangary*

*Councilmembers  
Justin Massey  
Jeff Duclos  
Stacey Armato*

**6:00 P.M. - CLOSED SESSION**

(LOCATION: Meetings convene in the Council Chambers and move to the Second Floor Conference Room after Public Comment)

**CALL TO ORDER IN COUNCIL CHAMBERS** 6:03 p.m.**ROLL CALL**

*Present: Armato, Duclos, Massey*

*Absent: Fangary, Mayor Petty (both arrived during Closed Session)*

**PUBLIC COMMENT** None**RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM**

6:04 p.m.

**1. 16-0354 LABOR NEGOTIATOR****Government Code Section 54957.6*****(Continued from Closed Session of May 24, 2016)*****City Negotiator:** City Manager and Daphne M. Anneet**Employee**

**Organizations:** Hermosa Beach Police Officers' Association  
Hermosa Beach Firefighters' Association  
Teamsters Union, Local 911  
Professional and Administrative Employee Group  
Hermosa Beach Management Association  
Hermosa Beach Professional Engineers Bargaining Group  
Unrepresented Employees

**ADJOURNMENT OF CLOSED SESSION** 7:20 p.m.**7:00 P.M. – STUDY SESSION****CALL TO ORDER** 7:28 p.m.**PLEDGE OF ALLEGIANCE****ROLL CALL**

*Present: Armato, Duclos, Fangary, Massey, Mayor Petty*  
*Absent: None*

## ANNOUNCEMENTS

***PUBLIC COMMENT***

## 1. COMMUNITY CHOICE AGGREGATION UPDATE

**REPORT      REVIEW DRAFT COMMUNITY CHOICE AGGREGATION FEASIBILITY  
16-0355                  STUDY**

(Environmental Analyst Kristy Morris)

**Attachments:** [Hermosa Beach iPlan Update 20160601 Final.pdf](#)  
[LACo CCA JPA \[presentation draft\] 04-14-16.docx](#)  
[Milestone Schedule Update Rev 051116.pdf](#)  
[Master Presentation - CCA Task Force Meeting 051216.pptx](#)  
[SUPPLEMENTAL South Bay Clean Power Milestone Report \(added 5/31/16 at 12 pm\)](#)  
[SUPPLEMENTAL Letter regarding Vote No on Community Choice Aggregation \(added 6-1-16 at 1pm\)](#)

## 2. BUDGET REVIEW

**16-0361                      SUPPLEMENTAL SLIDES DATED 6/1/16 FROM FINANCE  
DIRECTOR VIKI COPELAND  
(added 5/31/16 at 6:50pm)**

**Attachments:** [SUPPLEMENTAL Slides Dated 6-1-16 from Finance Director Viki Copeland \(added 5-31-16 at 650pm\)](#)

### **a) PRIORITY BASED BUDGETING**

**b) NEW POSITION REQUESTS**

**16-0362                    SUPPLEMENTAL - PERSONNEL REQUESTS / RECOMMENDATIONS  
FROM FINANCE DIRECTOR VIKI COPELAND  
(added 5/31/16 at 7:30 pm)**

**Attachments:** [SUPPLEMENTAL - Personnel Requests - Recommendations \(added 5-31-16 at 750pm\).pdf](#)

**c) CAPITAL PROJECTS**

**d) LONG RANGE PLANNING**

**e) NEW REQUESTS**

16-0363                      **SUPPLEMENTAL - ANSWERS TO QUESTIONS/COMMENTS  
FROM BUDGET WORKSHOP FROM FINANCE DIRECTOR  
VIKI COPELAND  
(added 5/31/16 at 7:45 PM)**

**Attachments:** [SUPPLEMENTAL Answers to Questions-Comments from Budget Workshop from Finance Director Viki Copeland \(added 5-31-16 at 745pm\).pdf](#)

**f) CITY CONTRACTING SERVICES**

REPORT                      **PROPOSED REVISION TO PURCHASING CODE,  
16-0357                      CONTRACTING FOR SERVICES OVER \$30,000  
(Finance Director Viki Copeland)**

**Attachments:** [Revision to Admin Memo F-13  
Issue Paper 16-0162, with Attachments](#)

**g) REVIEW OF COUNCIL BENEFITS**

REPORT                      **REVIEW OF CITY COUNCIL COMPENSATION  
16-0356                      (Finance Director Viki Copeland)**

**Attachments:** [City Council Compensation Study](#)

**PUBLIC COMMENT**

**ADJOURNMENT** 10:42 p.m.

**Elaine Doerfling  
City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Special Meeting Minutes

**Wednesday, July 6, 2016**

**5:30 PM**

**Closed Session-5:30pm**

**Study Session-7:00pm**

**(Joint Meeting with Parks and Recreation Advisory Commission)**

### **Council Chambers**

#### **City Council**

*Mayor  
Hany Fangary*

*Mayor Pro Tem  
Justin Massey*

*Councilmembers  
Jeff Duclos  
Stacey Armato  
Carolyn Petty*

## NOTICE OF SPECIAL MEETING AND AGENDA

PLEASE TAKE NOTICE that the Mayor of the City of Hermosa Beach has called a Special Meeting of the City Council to take place at 5:30 p.m. on June 7, 2016, to consider and take action on only those matters set forth on the agenda below (Closed Session and Study Session).

**5:30 P.M. - CLOSED SESSION**

(LOCATION: The Special Meeting will convene in the Council Chambers, move to the Second Floor Conference Room after Closed Session Public Comment, and reconvene in the Council Chambers for the Study Session)

**CALL TO ORDER IN COUNCIL CHAMBERS** 5:33 p.m.

**ROLL CALL**

*Present: Armato, Duclos, Massey, Mayor Fangary*  
*Absent: Petty (arrived 5:34 p.m.)*

**PUBLIC COMMENT** None

**RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM** 5:34  
p.m.

1.     **16-0399**     **MINUTES:** Approval of minutes of Closed Session held on May 24, 2016.
  
2.     **16-0398**     **CONFERENCE WITH LEGAL COUNSEL: Initiation of Litigation**  
          **Government Code Section 54956.9(d)(4)**  
          The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.  
  
          Number of Potential Cases: 1
  
3.     **16-0400**     **CONFERENCE WITH LEGAL COUNSEL: Threatened Litigation**  
          **Government Code Section 54956.9(d)(2)**  
          The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.  
  
          Number of Potential Cases: 1
  
4.     **16-0401**     **CONFERENCE WITH LEGAL COUNSEL: Pending Litigation**  
          **Government Code Section 54956.9(d)(1)**  
          The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.  
  
          Name of Case: Holtz v. City of Hermosa Beach  
          Los Angeles County Superior Court, Case Number: BS163221

**RECESS TO OPEN SESSION IN COUNCIL CHAMBERS** 6:50 p.m.

**7:00 P.M. - JOINT STUDY SESSION**

(City Council &amp; Parks, Recreation and Community Resources Advisory Commission)

**CALL TO ORDER** 7:14 p.m.**PLEDGE OF ALLEGIANCE****ROLL CALL**City Council*Present: Armato, Duclos, Massey, Petty, Mayor Fangary**Absent: None*Parks, Recreation and Community Resources Advisory Commission*Present: Lange, Lewis, Rodriguez, Rosenfeld**Absent: Guheen***CLOSED SESSION REPORT**

*City Attorney Jenkins said no public comment was received, nothing was added to the agenda, and there were no reportable actions.*

**ANNOUNCEMENTS****PUBLIC PARTICIPATION:**

1. **REPORT** **COMMUNITY THEATRE STUDY AND POLICY GUIDANCE**  
**16-0402** (Community Resources Manager Kelly Orta)

Attachments: [Daily Breeze Article on History of the Facility](#)

[Subcommittee Timeline](#)

[SUPPLEMENTAL Theatre Calendar \(added 7-5-16 at 5pm\).pdf](#)

2. **REPORT** **REVIEW THE SPECIAL EVENT POLICY GUIDE**  
**16-0403** **AND DISCUSS WHETHER OR NOT TO ALLOW THE**  
**PARKS AND RECREATION ADVISORY COMMISSION**  
**TO MEET ON A MONTHLY BASIS**  
(Community Resources Manager Kelly Orta)

Attachments: [Special Events Policy Guide](#)

[Informal Municipal Code Changes](#)

**ADJOURNMENT OF SPECIAL MEETING** 10:20 p.m.

Elaine Doerfling  
City Clerk

Linda Abbott  
Deputy City Clerk

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## **Adjourned Meeting Minutes**

**Wednesday, August 24, 2016**

**7 PM – 9 PM**

**Future Fire Services Town Hall Meeting**

**City Council Chambers**

### **City Council**

*Mayor  
Hany Fangary*

*Mayor Pro Tem  
Justin Massey*

*Councilmembers  
Jeff Duclos  
Stacey Armato  
Carolyn Petty*



*The meeting began at 7:02 p.m.*

*Present as observers only: Massey, Petty, Mayor Fangary*

*The meeting ended at 8:59 p.m.*

**Elaine Doerfling**  
**City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

**Saturday, September 17, 2016**

**8:30 AM**

**(Agenda Amended 9-14-16 at 4:00 PM)**

**Closed Session - 8:30 AM**

**Open Session - 9:30 AM**

**Closed Session - 12:00 PM**

### Council Chambers

### City Council

*Mayor  
Hany Fangary*

*Mayor Pro Tem  
Justin Massey*

*Councilmembers  
Jeff Duclos  
Stacey Armato  
Carolyn Petty*

**8:30 A.M. - CLOSED SESSION**

(LOCATION: Meetings convene in the Council Chambers and move to the Second Floor Conference Room after Public Comment)

**CALL TO ORDER IN COUNCIL CHAMBERS** 8:30 a.m.**ROLL CALL**

<i>Present: Armato, Duclos, Massey, Mayor Fangary</i> <i>Absent: Petty (arrived 8:32 a.m.)</i>
---

**PUBLIC COMMENT** None**RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM** 8:31 a.m.

1.     **16-0556**         **MINUTES:** Approval of minutes of Closed Session held on September 13, 2016.
2.     **16-0555**         **PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT**  
                              **Government Code Section 54957**  
                              Title: Interim City Manager/City Manager

**RECESS TO OPEN SESSION IN COUNCIL CHAMBERS** 9:30 a.m.**9:30 A.M. - OPEN SESSION****CALL TO ORDER** 9:38 a.m.**PLEDGE OF ALLEGIANCE****ROLL CALL**

<i>Present: Armato, Duclos, Massey, Petty, Mayor Fangary</i> <i>Absent: None</i>
---

**CLOSED SESSION REPORT**

<i>City Attorney Jenkins said no public comment was received, nothing was added to the agenda, and there were no reportable actions.</i>
--

3. 16-0557

**EXECUTIVE RECRUITING FIRM INTERVIEWS**

Attachments:    [Alliance Proposal](#)  
                          [Avery Proposal](#)  
                          [Bob Murray & Associates Proposal](#)  
                          [City Manager Scope of Work RFP.pdf](#)

**PUBLIC COMMENT**

**RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM** 11:20  
a.m.

**12:00 P.M. - CLOSED SESSION**

4. 16-0536

**CONFERENCE WITH LEGAL COUNSEL: Pending Litigation****Government Code Section 54956.9(d)(1)*****(Continued from Closed Session of September 13, 2016)***

The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

- a) Name of Case: Holtz v. City of Hermosa Beach  
Los Angeles County Superior Court, Case Number: BS163221
- b) Name of Case: Johnston v. City of Hermosa Beach  
Los Angeles County Superior Court, Case Number: BS163448

5. 16-0540

**CONFERENCE WITH LEGAL COUNSEL: Workers Comp Litigation****Existing Litigation - Government Code Section 54956.9(d)(1)*****(Continued from Closed Session of September 13, 2016)***

The City finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

- a) Name of Case: Scott Strouse v. City of Hermosa Beach  
WCAB Number: ADJ9644698

**ADJOURNMENT** 1:30 p.m.

**Elaine Doerfling**  
**City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Adjourned Meeting Minutes

**Wednesday, November 2, 2016  
6:00 PM**

**Public Works Commission Applicant Interviews - 6:00 PM**

**Adjourned Regular Meeting - 7:00 PM**

**Council Chambers**

### **City Council**

*Mayor  
Hany Fangary*

*Mayor Pro Tem  
Justin Massey*

*Councilmembers  
Jeff Duclos  
Stacey Armato  
Carolyn Petty*



**7:00 P.M. - ADJOURNED REGULAR MEETING AGENDA****CALL TO ORDER** 7:20 p.m.**PLEDGE OF ALLEGIANCE** Robert Fortunato**ROLL CALL**

*Present: Armato, Duclos, Massey, Petty, Mayor Fangary*  
*Absent: None*

**ANNOUNCEMENTS****PRESENTATIONS**

a) 16-0680 2016 COOL PLANET AWARD PRESENTATION

**PUBLIC PARTICIPATION:**

1. **REPORT** **VACANCIES - BOARDS AND COMMISSIONS**  
**16-0678** **PUBLIC WORKS COMMISSION APPOINTMENTS**  
(City Clerk Elaine Doerfling)

**Attachments:** [Public Works Applications](#)

*It was Council consensus to appoint the following three applicants to four-year terms that will expire October 31, 2020:*

*Janice Brittain*  
*Kent F. Brown*  
*David Grethen*

2. **REPORT** **CARBON NEUTRALITY: SHORT-TERM IMPLEMENTATION**  
**16-0681** **AND COMMUNITY CHOICE AGGREGATION UPDATE**  
(Environmental Analyst Kristy Morris)

**Attachments:** [1. 16-1368 CCA-Community Choice Aggregation \(003\).pdf](#)  
[2. UCLA Proposal.pdf](#)  
[3. Sunworks Proposal.pdf](#)  
[4. Solar City Financing Options.pdf](#)  
[5. GSE Energy Study Report.pdf](#)  
[6. Lead Assessment Report.pdf](#)  
[7. LS-1 Streetlight System Valuation.pdf](#)  
[8. LS-1 Option E analysis.pdf](#)

[9. LS-1 Option E Agreement.docx](#)

[10. BCT PPT HB Mtg Sept 6 2016.pdf](#)

[11. Fleet Policy Adopted revised .docx](#)

[12. EV ARC Charging Usage.pdf](#)

[13. Response to Questions.docx](#)

[SUPPLEMENTAL Letter from David Grethen \(added 9-27-16 at 3pm\).pdf](#)

[SUPPLEMENTAL Letter from Claudia Berman \(added 9-27-16 at 3pm\).pdf](#)

[SUPPLEMENTAL Information from Environmental Analyst Kristy Morris \(added 9-27-16 at 630pm\).pdf](#)

[SUPPLEMENTAL Envision Solar Presentation Slides \(added 10-31-16 at 3pm\).pdf](#)

[SUPPLEMENTAL Memo from Environmental Analyst Kristy Morris \(added 10-31-16 at 6pm\).pdf](#)

[SUPPLEMENTAL Response to Questions-2 \(added 11-2-16 at 230pm\).pdf](#)

**Action:** To direct staff to solicit proposals for consulting services to analyze residential data for rate setting, risk analysis, and program development and report back on Electric Service Provider to administer a CCA program.

Motion Massey, second Armato. The motion carried by a 4-1 vote, with Petty dissenting.

The following was direction to staff:

1. Reject bids for solar proposal and reissue a request for bids for roof repair and rooftop solar on the Community Center building and return with bids within the budget for CIP 15-634;
2. Continue to assess the purchase of 154 LS 1 streetlights and appropriate \$5,000 of Capital Improvement Funds for consulting services;
3. Continue to pursue a downtown electric vehicle shuttle program for Hermosa and do not wait for the Manhattan Beach Pilot Program to end;
4. Address issues regarding EV charging directly with individual Councilmembers;
5. De-emphasize the purchase of CNG vehicles and extend the life of existing vehicles;
6. Cancel the CNG retrofit of the paint truck and provide direction on long term fueling options for existing CNG vehicles; and
7. Explore a solar and energy storage project in Parking Lot A.

**ADJOURNMENT** 11:52 p.m.

**Elaine Doerfling**  
City Clerk



# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## **Adjourned Regular & Regular Meeting Minutes**

**Tuesday, April 24, 2018**

**5:00 PM**

**Parks & Recreation Commission Applicant Interviews - 5:00 PM**

**Closed Session - 6:30 PM**

**Regular Meeting - 7:00 PM**

**Council Chambers**

### **City Council**

*Mayor  
Jeff Duclos*

*Mayor Pro Tem  
Stacey Armato*

*Councilmembers  
Mary Campbell  
Hany S. Fangary  
Justin Massey*

**5:00 P.M. – ADJOURNED REGULAR MEETING**

(LOCATION: First Floor Conference Room)

**CALL TO ORDER** 5:05 p.m.**ROLL CALL**

<i>Present:</i>	<i>Armato, Campbell, Fangary, Massey, Mayor Duclos</i>
<i>Absent:</i>	<i>None</i>

**PUBLIC COMMENT** None**INTERVIEWS**

1. 18-0280      **APPLICANTS TO FILL UNSCHEDULED VACANCY - UNEXPIRED  
TERM ENDING JUNE 30, 2019 ON THE PARKS, RECREATION  
AND COMMUNITY RESOURCES ADVISORY COMMISSION**  
(APPOINTMENT SCHEDULED TO BE MADE DURING  
ITEM 7A OF THE REGULAR CITY COUNCIL MEETING AGENDA)

**Attachments:**      [1. Park & Recreation Commission Applications \(7\)](#)  
[2. C. Berman letter](#)  
[3. E. Langholz letter](#)  
[4. M. Rice Letter](#)  
[5. SUPPLEMENTAL Letter from Sheryl Main \(added 4-23-18 at 1pm\).pdf](#)  
[6. SUPPLEMENTAL Letter from Kent Allen \(added 4-23-18 at 1pm\).pdf](#)  
[7. SUPPLEMENTAL Letter from Mike Collins \(added 4-23-18 at 5pm\).pdf](#)  
[8. SUPPLEMENTAL Letter from Dency Nelson \(added 4-23-18 at 7pm\).pdf](#)  
[9. SUPPLEMENTAL Letter from Robert Fortunato \(added 4-23-18 at 7pm\).pdf](#)

*The following applicants were interviewed in the order shown:*

*Greg Blomstrand  
Barbara Ellman  
Joey Farrales  
Tori Grafeman  
Arcadia Berjonneau Keene  
Ross Lenihan  
Adam Malovani*

**ADJOURNMENT OF ADJOURNED REGULAR MEETING (INTERVIEWS)** 6:12 p.m.

**6:30 P.M. – CLOSED SESSION**

(LOCATION: Closed Session Meetings convene in the Council Chambers and move to the Second Floor Conference Room after Public Comment)

**CALL TO ORDER IN COUNCIL CHAMBERS** *6:30 p.m.***ROLL CALL**

<i>Present:</i>	<i>Armato, Campbell, Fangary, Massey, Mayor Duclos</i>
<i>Absent:</i>	<i>None</i>

**PUBLIC COMMENT** *None***RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM** *6:31 p.m.***1. 18-0261 CONFERENCE WITH LEGAL COUNSEL: Existing Litigation  
Government Code Section 54956.9(d)(1)**

The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

- a) **Name of Case:** Johnston et al v. City of Hermosa Beach  
Los Angeles County Superior Court  
**Case Number:** BS163448
  
- b) **Name of Case:** Marks et al v. City of Hermosa Beach  
Federal District Court, Central District of California  
**Case Number:** 2:17-cv-08739-FFM

**ADJOURNMENT OF CLOSED SESSION** *7:00 p.m.***7:00 P.M. - REGULAR AGENDA****CALL TO ORDER** *7:04 p.m.***PLEDGE OF ALLEGIANCE** *Los Angeles County Assistant Fire Chief Scott Hale***ROLL CALL**

<i>Present:</i>	<i>Armato, Campbell, Fangary, Massey, Mayor Duclos</i>
<i>Absent:</i>	<i>None</i>

**CLOSED SESSION REPORT**

*City Attorney Jenkins reported no public comments, no added items and no reportable actions.*

**ANNOUNCEMENTS****PROCLAMATIONS / PRESENTATIONS**

- a) 18-0258 **RECOGNIZING SEBASTIAN “SEABASS” KUHR  
FOR HIS CONTRIBUTIONS TO THE HERMOSA BEACH  
EDUCATION FOUNDATION VIA SK8 FOR SCHOOLS**
- b) 18-0259 **CELEBRATING THE 50TH ANNIVERSARY  
OF THE FAIR HOUSING ACT**

**MISCELLANEOUS ITEMS AND REPORTS - CITY MANAGER**

*Interim City Manager Jalili gave an update on Edison’s lighting installation project. He also invited everyone to an informational meeting/site tour regarding the proposed Greenbelt Infiltration Project at 6:30 p.m., Thursday, May 10, at the corner of 2<sup>nd</sup> Street and Valley Drive, adding that the meeting will continue in classroom 4 at South Park after the tour.*

**PUBLIC PARTICIPATION:****1. ORAL AND WRITTEN COMMUNICATIONS:**

- a) 18-0265 **LETTER FROM MATT MCCOOL DATED APRIL 17, 2018  
REGARDING EMERGENCY WARNING SYSTEM & NOON SIREN**

Attachments: [Letter from Matt McCool dated April 17, 2018](#)

Action: To receive and file the written communication from Matt McCool.  
Motion Massey, second Armato. The motion carried by a unanimous vote.

- b) 18-0285 **E-COMMENTS SUBMITTED FOR PUBLIC PARTICIPATION**

Attachments: [1. eComment from Joseph Verbrugge.pdf](#)

[2. eComment from Maritza Alvarado.pdf](#)

Action: To receive and file the two above-noted eComments.  
Motion Massey, second Armato. The motion carried by a unanimous vote.

**2. CONSENT CALENDAR:**

**Action:** To approve consent calendar items 2(a) through 2(j).  
Motion Campbell, second Armato. The motion carried by a unanimous vote.

**2a) REPORT**  
**18-0274**

**CITY COUNCIL MEETING MINUTES**  
(City Clerk Elaine Doerfling)

**Attachments:** [1. 03-13-18 Reg Mtg](#)  
[2. 04-10-18 Reg Mtg](#)  
[3. 04-12-18 Adj Reg Mtg \(State of the City\)](#)

**Action:** To approve the following minutes:  
1) Regular Meeting of March 13, 2018;  
2) Regular Meeting of April 10, 2018; and  
3) Adjourned Regular Meeting of April 12, 2018.

**2b) REPORT**  
**18-0257**

**CHECK REGISTERS**  
(Finance Director Viki Copeland)

**Attachments:** [1. 04-05-18](#)  
[2. 04-12-18](#)

**Action:** To ratify the above-noted check registers.

**2c) REPORT**  
**18-0269**

**REVENUE AND EXPENDITURE REPORTS FOR FEBRUARY 2018**  
(Finance Director Viki Copeland)

**Attachments:** [1. February Revenue Report](#)  
[2. February Expenditure Report](#)

**Action:** To receive and file the February 2018 Financial Reports.

**2d) REPORT**  
**18-0268**

**CITY TREASURER'S REPORT AND CASH BALANCE REPORT**  
(City Treasurer Karen Nowicki)

**Attachments:** [1. February 2018 Treasurer's Report](#)  
[2. February 2018 Cash Balance Report](#)

**Action:** To receive and file the February 2018 City Treasurer's Report and Cash Balance Report.

**2e) REPORT**  
**18-0266**

**CANCELLATION OF CERTAIN CHECKS**  
(City Treasurer Karen Nowicki)

**Action:** To approve cancellation of certain checks as recommended by the City Treasurer.

**2f) REPORT**  
**18-0267**

**PROJECT STATUS REPORT AS OF MARCH 31, 2018**  
(Public Works Director Glen W.C. Kau)

**Attachments:** [1. 04-18-18 FY17-18 CIP-Projects-gk](#)  
[2. SUPPLEMENTAL eComment and Attachment from John Gardner.pdf](#)  
[3. SUPPLEMENTAL eComment from Judith Mango.pdf](#)  
[4. SUPPLEMENTAL eComment and Attachment from Chuck Henderson.pdf](#)  
[5. SUPPLEMENTAL eComment from JeanMarc Cramer.pdf](#)  
[6. SUPPLEMENTAL eComment from Maria Haase.pdf](#)

**Action:** To receive and file the Project Status Report as of March 31, 2018.

**2g) REPORT**  
**18-0278**

**PLANNING COMMISSION TENTATIVE FUTURE AGENDA ITEMS**  
(Community Development Director Ken Robertson)

**Attachments:** [Planning Commission Tentative Agenda 5-15-18.pdf](#)

**Action:** To receive and file the May 15, 2018 Planning Commission tentative future agenda items.

**2h) REPORT**  
**18-0277**

**ACTION SHEET OF THE PLANNING COMMISSION MEETING OF**  
**APRIL 17, 2018**

**Attachments:** [Action Sheet - April 17, 2018](#)

**Action:** To receive and file the action sheet of the Planning Commission meeting of April 17, 2018.

**2i) REPORT**  
**18-0276**

**APPROVAL OF ROAD REPAIR AND ACCOUNTABILITY**  
**ACT OF 2017 (SENATE BILL 1) PROJECT LIST FOR**  
**THE CITY OF HERMOSA BEACH**  
(Public Works Director Glen W.C. Kau)

**Attachments:** [1. City Council Resolution for SB 1 Project List 042418 r2](#)  
[2. LSR Project List CityofHermosaBeach r1](#)

3. Project Detail Sheets for SB1 Project List**Action:** To:

- 1) Adopt Resolution No. 18-7126, entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, TO ADOPT A LIST OF PROJECTS FUNDED BY SB1: THE ROAD REPAIR AND ACCOUNTABILITY ACT**"; and
- 2) Direct staff to submit the Project List and supporting documentation to the California Transportation Commission by May 1, 2018.

- 2j) **REPORT** **AMERICAN MICROIMAGING, INC. (AMI) CONTRACT ASSIGNMENT**  
**18-0271** (Assistant to the City Manager Nico De Anda-Scaia)

**Attachments:** [1. AMI Assignment Letter](#)

[2. Professional Services Agreement AMI](#)

**Action:** To consent to an assignment of the City's existing contract with American Microimaging, Inc. for document scanning services to File Keepers, LLC.; and authorize the City Manager to sign the letter of acknowledgement.

3. **CONSENT ORDINANCES** None

4. **ITEMS REMOVED FROM THE CONSENT CALENDAR FOR SEPARATE DISCUSSION**  
None

5. **PUBLIC HEARINGS** None

6. **MUNICIPAL MATTERS**

- 6a) **REPORT** **LOS ANGELES COUNTY FIRE SERVICES**  
**18-0272** **AND MCCORMICK AMBULANCE UPDATE**  
(Emergency Services Coordinator Brandy Villanueva)

**Attachments:** [FD Automatic Aid Jan. - March 2018.pdf](#)

**Action:** To receive and file the receive and file the update regarding Los Angeles County Fire Department and McCormick Ambulance services for the period of December 30, 2017 - March 31, 2018.  
Motion Fangary, second Massey. The motion carried by a unanimous vote.

- 6b) **REPORT** **APPROVAL OF LEADERSHIP HERMOSA BEACH**  
**18-0263** **2018 CLASS PROJECT "MARK YOUR MILE"**  
**LICENSE AND MAINTENANCE AGREEMENT**  
(Community Resources Manager Kelly Orta)

**Attachments:** [1. License and Maintenance Agreement](#)

[2. "Mark Your Mile" Project Budget](#)[3. SUPPLEMENTAL Final Marker Mock-ups \(added 4-23-18 at 5pm\).pdf](#)[4. SUPPLEMENTAL LHB Coastal Development Permit Application and Attachments \(added 4-23-18 at 5pm\).pdf](#)

**Action:** To approve and authorize the Mayor to sign the license and maintenance agreement with Leadership Hermosa Beach for the "Mark Your Mile" 2018 class project, as revised to:

(1) Replace the Leadership Hermosa logo with black and white branding that reads "Donated by Leadership Hermosa Beach" in the same font and style as the other words on the markers;

(2) Incorporate by reference the artists' releases for the artwork into the agreement, and attach as exhibits;

(3) Combine all monies into one fund of \$1700 (deliverable to the City immediately following installation in one lump sum) which can be used for installation, maintenance, rebranding, restoration and/or removal. Any unspent funds are to be reimbursed to Leadership Hermosa upon expiration of the agreement; and

(4) Include language in reference to copyright in the indemnification clause (Section 7). Motion Massey, second Fangary. The motion carried by a unanimous vote.

**6c)      REPORT                      UPDATE ON THE CITY OF REDONDO BEACH'S APPLICATION  
18-0256                      TO FORM AN ENHANCED INFRASTRUCTURE FINANCING  
   DISTRICT FOR THE AES PROPERTY  
   (Environmental Analyst Leeanne Singleton)**

**Attachments:**      [1. Redondo Beach EIFD Proposed Boundaries](#)

[2. City of Redondo Beach 4.17.18 Council Agenda Report.pdf](#)

[3. Draft Letter of Support for Redondo EIFD Application.pdf](#)

**Action:** To submit a letter to Los Angeles County in support of the City of Redondo Beach's application to form an Enhanced Infrastructure Financing District (EIFD) for the AES property to fund infrastructure projects such as parks, wetlands restoration, site clean-up, and other related public amenities, subject to revisions by the Council subcommittee. Motion Massey, second Armato. The motion carried by a unanimous vote.

**6d)      REPORT                      SUPPORT FOR ASSEMBLY BILL NO. 2808  
18-0270                      TO INCREASE LOCAL CONTROL FUNDING  
   FOR CALIFORNIA'S PUBLIC SCHOOLS  
   (Management Analyst Katrina Nguyen)**

**Attachments:**      [1. California Assembly Bill 2808 98.pdf](#)

[2. AB 2808 Fact Sheet.pdf](#)

[3. Resolution AB2808.pdf](#)

[4. Letter of Support AB2808.pdf](#)



**Action:** To:

- 1) Adopt Resolution No. 18-7127, entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, IN SUPPORT OF ASSEMBLY BILL 2808 (MURATSUCHI) TO INCREASE LOCAL CONTROL FUNDING FOR CALIFORNIA'S PUBLIC SCHOOLS**"; and
- 2) Approve and authorize the Mayor to sign a letter of support (with the first paragraph of the draft letter revised to exclude reference to the School District, parents, students and teachers across California) on behalf of the City Council regarding Assembly Bill 2808, to be shared with appropriate legislators and local stakeholders.

Motion Fangary, second Armato. The motion carried by a unanimous vote.

**Additional Action:** To extend the meeting to 11 p.m.

Motion Fangary, second Armato. The motion carried by a unanimous vote.

**7. MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS - CITY COUNCIL**

- 7a) **REPORT**                      **VACANCIES - BOARDS AND COMMISSIONS - APPOINTMENT**  
**18-0275**                      **FOR PARKS, RECREATION AND COMMUNITY RESOURCES**  
   **ADVISORY COMMISSION UNSCHEDULED VACANCY -**  
   **UNEXPIRED TERM ENDING JUNE 30, 2019**  
   (City Clerk Elaine Doerfling)

**Attachments:**        [1. Park & Recreation Commission Applications \(7\)](#)  
  
                                 [2. Letters of Support \(3\)](#)  
  
                                 [3. SUPPLEMENTAL Letter from Sheryl Main \(added 4-23-18 at 1pm\).pdf](#)  
  
                                 [4. SUPPLEMENTAL Letter from Kent Allen \(added 4-23-18 at 1pm\).pdf](#)  
  
                                 [5. SUPPLEMENTAL Letter from Mike Collins \(added 4-23-18 at 5pm\).pdf](#)  
  
                                 [6. SUPPLEMENTAL Letter from Dency Nelson \(added 4-23-18 at 7pm\).pdf](#)  
  
                                 [7. SUPPLEMENTAL Letter from Robert Fortunato \(added 4-23-18 at 7pm\).pdf](#)

**Action:** To appoint Barbara Ellman to fill the unexpired term ending June 30, 2019.

**8. OTHER MATTERS - CITY COUNCIL**

- 8a)    **18-0260**                      **REQUEST BY MAYOR DUCLOS TO HAVE CITY COUNCIL**  
   **CONSIDER SUPPORTING NET NEUTRALITY BY SIGNING THE**  
   **CITIES OPEN INTERNET PLEDGE INITIATED BY BILL DE BLASIO**  
   **OF NEW YORK, AND SIGNED BY MAYORS SUCH AS TED**  
   **WHEELER OF PORTLAND AND STEVE ADLER OF AUSTIN**

**Attachments:**        [Cities Open Internet Pledge](#)

*Mayor Duclos spoke to his request, garnering support from Fangary and Massey.*

**8b) 18-0273**

**TENTATIVE FUTURE AGENDA ITEMS**

**Attachments:**     [Tentative Future Agenda.pdf](#)

*It was Council consensus to receive and file the tentative future agenda items.*

**ADJOURNMENT**     10:55 p.m.

**Elaine Doerfling  
City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Regular Meeting Minutes

**Tuesday, December 11, 2018**

**6:00 PM**

**Closed Session - 6:00 P.M.**

**Regular Meeting - 7:00 P.M.**

**Council Chambers**

### **City Council**

*Mayor  
Stacey Armato*

*Mayor Pro Tem  
Mary Campbell*

*Councilmembers  
Hany S. Fangary  
Justin Massey  
Jeff Duclos*

**6:00 P.M. - CLOSED SESSION**

(LOCATION: Meetings convene in the Council Chambers and move to the Second Floor Conference Room after Public Comment)

**CALL TO ORDER IN COUNCIL CHAMBERS** 6:00 p.m.**ROLL CALL**

**Present:** 4 - Mayor Armato, Mayor Pro Tempore Campbell, and Councilmember Massey  
**Absent:** 1 - Councilmember Duclos, Councilmember Fangary\*

*\*Councilmember Fangary arrived at 6:15 p.m.*

**PUBLIC COMMENT** None

*At this time, City Attorney Jenkins requested to add three items to the Closed Session agenda: two matters of pending litigation (Roth and Crossfit Horsepower), and a matter of potential litigation.*

*Noting approval from all three Councilmembers present, the items were added.*

**RECESS TO CLOSED SESSION IN SECOND FLOOR CONFERENCE ROOM**

6:02 p.m.

1. **18-0745** **MINUTES:** Approval of minutes of Closed Session held on November 27, 2018.

2. **18-0746** **CONFERENCE WITH LABOR NEGOTIATOR**

**Government Code Section 54957.6**

**City Negotiator:** City Manager

**Employee**

**Organizations:** Hermosa Beach Police Officers' Association  
Hermosa Beach Firefighters' Association  
Teamsters Union, Local 911  
Professional and Administrative Employee Group  
Hermosa Beach Management Association  
Hermosa Beach Professional Engineers Bargaining Group  
Unrepresented Employees

3. **18-0747** **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

**Government Code Section 54956.8**

**Property:** Airspace at 51 Pier Avenue (Loreto Plaza)

**City Negotiator:** City Manager

**Negotiating Party:** Pierside Properties, LLC

**Under Negotiation:** Price and Terms of Payment for Lease of Airspace

**4. CONFERENCE WITH LEGAL COUNSEL: Pending Litigation****Government Code Section 54956.9(d)(1)**

The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

**Name of Case:** Mark Roth v. City of Hermosa Beach  
Los Angeles County Superior Court  
**Case No.** YC072628

**5. CONFERENCE WITH LEGAL COUNSEL: Initiation of Litigation****Government Code Section 54956.9(d)(4)**

The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

**Number of Potential Cases:** 1

**6. CONFERENCE WITH LEGAL COUNSEL: Pending Litigation****Government Code Section 54956.9(d)(1)**

The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

**Name of Case:** Hermosa Fitness LLC v. City of Hermosa Beach  
Los Angeles County Superior Court  
**Case No.** 18STCP02840

**ADJOURNMENT OF CLOSED SESSION** 7:10 p.m.**7:00 P.M. - REGULAR AGENDA****CALL TO ORDER** 7:16 p.m.**PLEDGE OF ALLEGIANCE** Peter Tucker**ROLL CALL**

**Present:** 4 - Mayor Armato, Mayor Pro Tempore Campbell, Councilmember Fangary, and Councilmember Massey  
**Absent:** 1 - Councilmember Duclos

**CLOSED SESSION REPORT**

*City Attorney Jenkins said no public comment was received prior to Closed Session, three items (two of pending litigation and one of potential litigation) were added to the agenda, and there were no reportable actions.*

**ANNOUNCEMENTS**

*Mayor Armato invited everyone to the following events:*

*\*Wednesday, December 12 and Tuesday, December 18, 6-9 p.m., Santa Claus will be taking sleigh rides through Hermosa (check the City website for information on his routes);*

*\*Thursday, December 13, 5-9 p.m., Hermosa Beach Woman's Club will be Caroling for a Cause (for more information visit [womansclubofhermosabeach.org](http://womansclubofhermosabeach.org));*

*\*Wednesday, December 19, 3:30-5:00 p.m., the 8th Street Improvements Project walk-through (originally scheduled for December 5), at the intersection of 8th Street and Hermosa Avenue. (Please RSVP your attendance to Public Works Associate Engineer Reed Salan at [rsalan@hermosabch.org](mailto:rsalan@hermosabch.org));*

*\*Friday, December 21 at 6 p.m., Community Movie Night with a special holiday movie screening of "Home Alone" at the Community Theatre. (Attendees must pre-register at the Community Center or online at [www.hermosabch.org](http://www.hermosabch.org));*

*\*The 26th Annual Beach Cities Toy Drive continues to collect unwrapped new toys at the Hermosa Beach Police Department or L.A. County Fire Department, Station 100. Saturday, December 22 beginning at 10 a.m. the wrapping party will take place at the Manhattan Beach Joslyn Community Center, 1601 N. Valley Drive;*

*\*Monday, December 31, 8 p.m.-midnight, the annual New Year's Eve Celebration at Pier Plaza, featuring Lou Giovannetti and his Big Band; and*

*\*Thursday, January 3, 2019, 10 a.m.-4 p.m., the Hermosa Beach Police Department will be hosting their annual Battle of the Badges Blood Drive with the help of the Red Cross at the City Hall Council Chambers. (To sign up, visit [www.redcrossblood.org](http://www.redcrossblood.org) and enter sponsor code: BADGESOCAL.)*

**APPROVAL OF AGENDA**

*City Manager Lowenthal requested to pull item 6a, stating more time is needed to work on the agreement with the Chamber, but since the current agreement expires December 31, 2018, she wished to have approval to extend the current agreement. That request was heard under item 6a.*

**Aye:** 4 - Mayor Armato, Campbell, Fangary, and Massey

**Absent:** 1 - Duclos

**PROCLAMATIONS / PRESENTATIONS**

- a) 18-0751 LOCAL CONTEST WINNERS OF THE COUNTY OF LOS ANGELES  
PUBLIC LIBRARY 2018 CHILDREN'S BOOKMARK CONTEST

*Friends of the Library President Howard Seeb introduced the winners as Kelly Hulbert, Acting Hermosa Library Manager, presented them with goodie bags.*

*Mayor Armato presented each winner with a Certificate of Recognition.*

**b) 18-0752 ANNOUNCEMENT OF THE WINNER OF THE  
9TH ANNUAL PARKING PERMIT ART CONTEST**

*Finance Director Copeland introduced the winner, Matt Brandseth.*

**MISCELLANEOUS ITEMS AND REPORTS - CITY MANAGER** None

**PUBLIC PARTICIPATION:**

**1. ORAL AND WRITTEN COMMUNICATIONS:**

*Peter Tucker  
Anthony Higgins*

**a) 18-0753 LETTER FROM ANTHONY HIGGINS  
DATED NOVEMBER 23, 2018 REGARDING  
'GROUNDS FOR PLAN HERMOSA EIR DECERTIFICATION'**

**Attachments:** [1. 11-13-18 Letter from Anthony Higgins.pdf](#)  
[2. SUPPLEMENTAL eComment from Ron Felsing regarding 27th  
Street \(submitted 12-11-18 at 358pm\).pdf](#)

***Motion Campbell and seconded by Fangary to receive and file the written communication from Anthony Higgins.***

***Aye:*** 4 - Mayor Armato, Campbell, Fangary, and Massey

***Absent:*** 1 - Duclos

**2. CONSENT CALENDAR:**

***Motion Campbell and seconded by Fangary to approve the Consent Calendar.***

***Aye:*** 4 - Mayor Armato, Campbell, Fangary, and Massey

***Absent:*** 1 - Duclos

**a) REPORT CITY COUNCIL MEETING MINUTES  
18-0734 (Deputy City Clerk Linda Abbott)**

**Attachments:** [1. 072418 draft.docx](#)  
[2. 112918 draft.docx](#)  
[3. 112718 min draft.docx](#)

**b) REPORT  
18-0733**

**CHECK REGISTERS**  
(Finance Director Viki Copeland)

Attachments: [1. 11-19-18](#)  
[2. 11-21-18](#)  
[3. 11-29-18](#)

**c) REPORT  
18-0756**

**ACTION MINUTES OF THE PARKS, RECREATION AND  
COMMUNITY RESOURCES ADVISORY COMMISSION  
MEETING OF NOVEMBER 6, 2018**

Attachments: [PR Minutes 11.6.2018.pdf](#)

**d) REPORT  
18-0740**

**RECOMMENDATION TO REJECT CLAIM**  
(Human Resources Manager Vanessa Godinez)

Attachments: [Carissa De Blasi claim](#)

**3. CONSENT ORDINANCES** None

**4. ITEMS REMOVED FROM THE CONSENT CALENDAR FOR SEPARATE  
DISCUSSION** None

**5. PUBLIC HEARINGS**

**a) REPORT  
18-0732**

**CONSIDER AMENDMENT OF THE MUNICIPAL CODE ADDING  
CHAPTER 5.78 (TOBACCO RETAILERS) REQUIRING LICENSURE  
OF TOBACCO RETAILERS AND LIMITING SALE OF ELECTRONIC  
SMOKING DEVICES AND FLAVORED TOBACCO PRODUCTS  
TO REDUCE THE ILLEGAL SALE OF TOBACCO TO YOUTH  
AND AMENDING SECTION 1.10.040 TO MAKE VIOLATIONS  
OF CHAPTER 5.78 SUBJECT TO ADMINISTRATIVE  
PENALTY PROCEDURES**

**(Continued from August 25, 2015 and November 13, 2018)**

(Community Development Director Ken Robertson)

*The public hearing opened at 8:08 p.m. Coming forward to address the Council were:*

*Barbara Ellman*

*Betsy Jacoby, L.A. County Department of Public Health, Program*

*Analyst - Tobacco*

*Tarek Jarkas, Hermosa retailer*

*Jessica Barrington-Trimis, USC Assistant Professor of Preventive Medicine*



*Jacqueline Sun, Beach Cities Health District Community Policy Analyst  
 Jaime Rojas, National Association of Tobacco Outlets  
 Kristine Ashley, Ashley's Deli  
 Carol Almeda, retailer  
 Lana Istwani, Green Store manager  
 Paul Mance, Mickey's Italian Deli owner  
 Andre Klaser, Granny's Grocery owner  
 Craig Cadwallader, Surfrider Foundation South Bay Chapter  
 Mickey Mance, Mickey's Deli owner  
 Celina Douglas, Beach Market owner*

*The public hearing closed at 8:45 p.m.*

*The Council called the following speakers forward to respond to questions:  
 Jacqueline Sun, Beach Cities Health District Community Policy Analyst  
 Jessica Barrington-Trimis, USC Assistant Professor of Preventive Medicine  
 Jaime Rojas, National Association of Tobacco Outlets*

**Motion Fangary and seconded by Massey to:**

- 1. Introduce an ordinance requiring licensure of tobacco retailers, limiting sale of electronic smoking devices and flavored tobacco products, and making violations subject to administrative penalty procedures, with the following revisions:**
  - \*reduce tobacco retailers' minimum age from 21 to 18; and**
  - \*make the effective date of the ordinance June 1, 2019; and**
- 2. Adopt the attached resolution establishing a Tobacco Retailer License application fee and annual renewal fee, with the initial application fee waived for existing retailers.**

**Aye:** 3 - Campbell, Fangary, and Massey

**No:** 1 - Mayor Armato

**Absent:** 1 - Duclos

## 6. MUNICIPAL MATTERS

- a) **REPORT** **APPROVAL OF FOURTH AMENDMENT TO**  
**18-0749** **THE CHAMBER OF COMMERCE WEDNESDAY FARMERS'**  
**MARKET AGREEMENT INCLUDING TERM EXTENSION AND**  
**LANGUAGE UPDATES REGARDING MARKET VENDORS**  
 (Community Resources Manager Kelly Orta)

**Attachments:** [1. Current Wednesday Farmers' Market and Extension Letters](#)  
[3. Mark Anderson Presentation](#)  
[2. Fourth Amendment to the Farmers Market Agreement](#)

**Motion Campbell and seconded by Fangary to grant City Manager Lowenthal the authority to extend the current agreement through February 28, 2019, as more time for negotiations is needed.**

**Aye:** 4 - Mayor Armato, Campbell, Fangary, and Massey

**Absent:** 1 - Duclos

**b)      REPORT                      RESOLUTION AMENDING THE CITY'S CONFLICT OF  
18-0742                      INTEREST CODE FOR DESIGNATED POSITIONS**

*(City Clerk Elaine Doerfling)*

**Attachments:**   [1. 2018-Draft Resolution](#)  
                          [2. Amended Code](#)

*Motion Massey and seconded by Campbell to adopt the attached resolution amending the City's Conflict of Interest Code to reflect changes (additions/deletions/renaming) to the list of designated positions and their assigned disclosure categories.*

**Aye:**    4 - Mayor Armato, Campbell, Fangary, and Massey

**Absent:** 1 - Duclos

**7. MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS - CITY COUNCIL**

**a)      REPORT                      LOS ANGELES COUNTY WEST VECTOR AND  
18-0744                      VECTOR-BORNE CONTROL DISTRICT BOARD RECRUITMENT  
   STATUS FOR UPCOMING TWO-YEAR TERM**

*(City Clerk Elaine Doerfling)*

*Councilmember Massey suggested Councilmembers each work to recruit an applicant or two and have them apply to the City Clerk's Office; if no applications are received, then Councilmember Duclos will be encouraged to request reappointment.*

***Motion Massey and seconded by Campbell to receive and file the Los Angeles County West Vector and Vector Borne Control District Board recruitment status report for the upcoming two year term.***

**Aye:**    4 - Mayor Armato, Campbell, Fangary, and Massey

**Absent:** 1 - Duclos

**b)      REPORT                      CITY COUNCIL COMMITTEE REORGANIZATION - NOVEMBER 2018  
18-0743                      *(Continued from meeting of November 29, 2018)***

*(City Clerk Elaine Doerfling)*

**Attachments:**   [1. Committee List 112918](#)  
                          [2. SBCCOG Draft Resolution](#)  
                          [3. Committee Information](#)

***Motion Fangary and seconded by Campbell to re-affirm current committee delegates/alternates assignments.***

**Aye:**    4 - Mayor Armato, Campbell, Fangary, and Massey

**Absent:** 1 – Duclos

**c)      *REPORT*                                      *CITY COUNCIL MEETING SCHEDULE FOR 2019***  
**18-0755**                                      *(City Manager Suja Lowenthal)*

**Attachments:**    [1. Draft City Council Meeting Schedule for 2019](#)  
                                 [2. SUPPLEMENTAL Memo and Revised Draft City Council Meeting](#)  
                                 [Schedule for 2019 \(added 12-11-18 at 1pm\).pdf](#)

***Motion Campbell and seconded by Massey to:***

- 1. Review and provide direction on the proposed Special Meeting dates;***
- 2. Review and provide direction on the Regular Meeting dates that conflict with Holidays or Conferences; and***
- 3. Approve the City Council meeting schedule for 2019, with revisions made this evening and some to be made as soon as possible after polling the Council.***

***Aye:*** 4 - Mayor Armato, Campbell, Fangary, and Massey

***Absent:*** 1 - Duclos

**8.    *OTHER MATTERS - CITY COUNCIL***

**a)      18-0754                                      *TENTATIVE FUTURE AGENDA ITEMS***

**Attachments:**    [Tentative Future Agenda.pdf](#)

*It was Council consensus to receive and file the Tentative Future Agenda Items.*

**ADJOURNMENT**

*9:59 p.m., to the Regular meeting of Tuesday, January 8, 2019.*

**Elaine Doerfling**  
**City Clerk**

**Linda Abbott**  
**Deputy City Clerk**

# City of Hermosa Beach

*City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254*



## Special Meeting Minutes

**Monday, October 29, 2018 6:30 PM**

**SPECIAL MULTI-AGENCY MEETING OF THE CITY COUNCILS OF  
HERMOSA BEACH, MANHATTAN BEACH, AND REDONDO BEACH  
AND THE BOARD OF DIRECTORS OF THE BEACH CITIES HEALTH DISTRICT**

### **LOCATION:**

**Redondo Beach Public Library, 2nd Floor Meeting Room  
303 North Pacific Coast Highway Redondo Beach, CA 90277**

### **City Council**

*Mayor  
Jeff Duclos*

*Mayor Pro Tem  
Stacey Armato*

*Councilmembers  
Mary Campbell  
Hany S. Fangary  
Justin Massey*

The attached minutes were prepared by the City of Redondo Beach City Clerk's Office and were approved by the Redondo Beach City Council at their Regular meeting of Tuesday, December 4, 2018.

The following attachments were submitted for the meeting:

- [1. Study Session Staff Report.pdf](#)
- [2. Draft Beach Cities Living Streets Design Manual](#)
- [3. Tri-Cities Study Session Presentation](#)

**Elaine Doerfling**  
City Clerk



**A. CALL TO ORDER**

A Special Meeting of the Redondo Beach City Council was called to order by Mayor Brand at 6:15 p.m. in the City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California.

**B. ROLL CALL**

Councilmembers Present:	Nehrenheim, Horvath, Gran, Emdee, Mayor Brand
Councilmembers Absent:	Loewenstein
Officials Present:	Eleanor Manzano, City Clerk Michael W. Webb, City Attorney Diane Cleary, Minutes Secretary

**C. SALUTE TO THE FLAG AND INVOCATION**

At the request of Mayor Brand, the audience and Councilmembers rose to salute the flag followed by a moment of silence.

**D. CONSENT CALENDAR**

**D.1 APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL MULTI-AGENCY SPECIAL MEETING OF OCTOBER 29, 2018.**

**CONTACT: ELEANOR MANZANO, CITY CLERK**

Motion by Councilmember Horvath, seconded by Councilmember Gran, to approve Consent Calendar Item D.1. Motion carried unanimously, with Councilmember Loewenstein absent.

**E. RECESS TO MULTI-AGENCY SPECIAL MEETING AND RECONVENE AT MAIN LIBRARY AT 6:30 P.M. – 303 N. PACIFIC COAST HIGHWAY, 2<sup>ND</sup> FLOOR**

Motion by Councilmember Horvath, seconded by Councilmember Emdee, to recess at 6:17 p.m. Motion carried unanimously, with Councilmember Loewenstein absent.

**F. CALL MEETING TO ORDER – 6:34 P.M.**

**ROLL CALL – REDONDO BEACH CITY COUNCIL**

Councilmembers Present:	Nehrenheim, Horvath, Gran, Emdee, Mayor Brand
Councilmembers Absent:	Loewenstein
Officials Present:	Eleanor Manzano, City Clerk Michael W. Webb, City Attorney Diane Cleary, Minutes Secretary

**ROLL CALL – HERMOSA BEACH CITY COUNCIL**

Councilmembers Present:	Campbell, Fangary, Massey, Mayor Pro Tem Armato,
Councilmembers Absent:	Mayor Duclos

## **ROLL CALL – MANHATTAN BEACH CITY COUNCIL**

Councilmembers Present: Montgomery, Lesser, Howorth, Mayor Pro Tem Hersman, Mayor Napolitano

Councilmembers Absent: None

## **ROLL CALL – BEACH CITIES HEALTH DISTRICT BOARD OF DIRECTORS**

Members Present: Diehl, Poster, Chatterji, President Chun

Members Absent: Bholat

## **SALUTE TO THE FLAG AND INVOCATION**

At the request of Mayor Brand, the audience and Councilmembers rose to salute the flag followed by an invocation by Rabbi Yossi Mintz of Chabad of the Beach Cities, Redondo Beach

### **G. MOTION TO ELECT A TEMPORARY CHAIRPERSON TO LEAD THE MEETING**

Motion by RB Councilmember Gran, seconded by RB Councilmember Nehrenheim, to elect Councilmember Horvath as temporary chairperson. Motion carried unanimously.

### **J. DISCUSSION ITEMS**

#### **J.1 i. STUDY SESSION: PRESENTATION REGARDING THE BEACH CITIES LIVING STREETS DESIGN MANUAL AS PART OF THE CALTRANS TRANSPORTATION PLANNING GRANT: BEACH CITIES LIVING STREETS DESIGN MANUAL & AVIATION BOULEVARD MULTIMODAL CORRIDOR PLAN**

Tom Bakaly, CEO of Beach Cities Health District, spoke on the goals to include education and community engagement.

Lauren Nakano, Director, Blue Zones Project at Beach Cities Health District, welcomed those in attendance, spoke on the Tri-City SCAG Grant and introduced Stantec.

Consultant Richard Rock Miller of Stantec, spoke on the following:

- Beach Cities Living Streets Design Manual
- Introductions
- Project Background
- Milestones
- Public Outreach Recap
  - Three workshops
- What Is A Living Street
  - Streets for everyone
  - Elements of Living Streets
- Goals of a Living Street
- Living Street Manual
  - Funded through LA County Department of Public Health
  - Updates policies and standards
  - Provides a tool box
  - Emerging technologies
  - Local
- Project Description
  - Customize the Living Streets Design Manual
- Living Streets Manual Chapters
  - Chapter 1 – Introduction

MINUTES – JOINT CITY COUNCIL MEETING

Monday, October 29, 2018

Page 2

- Chapter 2 – Vision, goals, policies, and benchmarks
- Chapter 3 – Street networks and classifications
- Chapter 4 – Traveled way design
- Chapter 5 – Intersection design
- Chapter 6 – Universal pedestrian access
- Chapter 7 – Pedestrian Crossings
- Chapter 8 – Bikeway design
  - Best Practices: Class II Bike Lanes
  - Best Practices: Class III Bike Routes
  - Best Practices: Class IV Cycle Tracks
- Chapter 9 – Transit accommodations
  - Best Practices: Transit Improvements
- Chapter 10 – Traffic calming
- Chapter 11 – Streetscape ecosystem
- Chapter 12 – Gathering places
- Chapter 13 – Designing land use along living streets
  - Best Practices: Adjacent Uses
- Chapter 14 – Retrofitting suburbia
- Chapter 15 – Community engagement for street design
  - Consensus building
- Chapter 16 – Emerging technologies
- Chapter 17 – The Beach Cities and Hermosa Beach, Manhattan Beach, or Redondo Beach
- Aviation Boulevard
  - Potentially desirable route
  - Alternatives generated a divided response
  - Each city needs to decide what is best for it
  - Living Street Manual
- Use of the Manual
  - Grant applications
  - Budget planning
  - Land use decisions
  - General Plan update
  - Street projects
  - Capital Improvement projects
  - Active transportation projects
- Funding
  - Planning Stage
  - Construction Stage
- Next Steps
  - Customized Living Street Design Manual to be independently approved at the City level
  - With approval, each City can use the Manual as a tool guiding document for land use and infrastructure decisions
- Moving Forward
  - Citizen engagement
  - Funding opportunities/leverage funding
  - Concept refinement
  - Further Council action and collaboration

Mayor Brand left the meeting at 7:07 p.m.

## **ii. DISCUSSION REGARDING PRESENTATION**



In response to MB Councilmember Montgomery, Mr. Miller stated his company is a very large multinational company, and stated he works out of Irvine and he is now a consultant. He said he is familiar with Southern California traffic problems, the Vista Del Mar project and the Long Beach project.

MB Councilmember Montgomery stated that road diets involving traffic calming didn't work well at Vista Del Mar and said anything done affects someone else down the road, and all cities should work together on the Bicycling Master Plan.

RB Councilmember Horvath stated streets are going change in the next 20 years, and questioned designing a living street for a multimodal environment creating flexibility and narrowing doesn't burden the cities.

Mr. Miller suggested working with streets with a high level of confidence and demand not going up. He reviewed the reconfiguration in downtown Long Beach going to two lanes with a bike lane, and stated the city was confident the needs for that corridor would probably not increase. He said there is no agreement right now regarding traffic levels in the future going up or down, and flexibility is needed if the volumes go up. He also reviewed alternatives to cars and the need to reduce them, such as using scooters.

HB Councilmember Campbell referred to the third meeting in April and asked Mr. Miller to characterize the takeaways from what was a particular interest/concern. Mr. Miller stated there were alternatives presented for Aviation Boulevard that showed a reduction in the existing number of traffic lanes and people attended the meeting regarding these concerns. He also said there were alternatives shown that did not show reductions in travel lanes but there was a large concern over reduction in travel lanes.

HB Councilmember Lesser asked how the guide could be used to produce a road diet when multimodal transportation is implemented, and how this is helpful to the cities with such different topography, different engineering staffs, etc. Mr. Miller referred to curb extension treatment which is done near schools, reducing distance to walk across the street, and street narrowing slows down traffic.

In response to HB Councilmember Fangary regarding parking and one-way streets, Mr. Miller explained that reversed angle parking is a relative new concept that works well when a street is carrying higher traffic levels such as on Herondo. He also said one-way streets were created to get people in and out of downtown quickly and are no longer considered a real proper and acceptable way of planning a downtown, noting that two-way streets tend to work better for local businesses and looking for parking. He also said improvements include converting one-way streets to two-way streets or converting one lane to a bike lane.

BCHD Director Ms. Nakano noted lack of community engagement regarding Vista Del Mar, and supported connecting with the community and doing it right. She said there is a huge opportunity in the three cities to look at how to engage the public.

MB Councilmember Montgomery left the meeting at 7:28 p.m.

BCHD President Chun requested information on the tradeoff between decreasing the number of vehicle traffic lanes and modifications in the road such as roundabouts, decreasing stop sign use, and increasing flow. Mr. Miller explained that roundabouts are effective and the best form of traffic control if they fit the space that's available. He said a single lane roundabout would accommodate 25,000 cars or less, but a little bit of space is still needed. He noted roundabouts in Long Beach, and restored landscapes in the neighborhood to allow for roundabout projects. He said the challenge comes with traffic above 25,000, such as the one intersection at Prospect and Aviation.

BCHD Board Member Chatterji asked about the effect of navigation apps. Mr. Miller explained that navigation apps probably are routing motorists on the street not appropriate for through traffic.

BCHD Board Member Chatterji suggested a more flexible mechanism and moving roundabouts. Mr. Miller said there are possibilities with temporary roundabouts but cautioned they are more successful with elements of aesthetics and traffic engineering.

BCHD Board Member Chatterji suggested prioritizing using existing assets and connecting them. Mr. Miller said the Manual would have tools for possible ways of addressing the gap but priority usually requires bringing in local values and local tradeoffs.

BCHD Board Member Poster asked about street suggestions for grant proposals if Aviation isn't done. Mr. Miller believed there are a lot of ideas from staff, and noted a street that doesn't carry 30,000 cars a day would be a much easier street.

BCHD Board Member Poster also asked about safety data regarding the back end angled parking and double bike lane. Mr. Miller said he has not seen any crashes coming through the project, but the cities involved should be fully aware of any accidents.

RB Councilmember Horvath suggested the parking lane next to the travel lane for cars and the bike lane is protected. Mr. Miller stated these treatments and examples are in the Manual and work well where there are not a lot of driveways.

RB Councilmember Nehrenheim noted 93% of Redondo commuters go outside the City to work to LA, El Segundo and Torrance, and suggested building more commercial office space in Redondo. He also said the number will remain in place by increasing residential density. He asked about cutting off a street in the middle to stop cut through traffic. Mr. Miller said this is more common on residential streets, reviewed a bicycle boulevard, and a median across the street. He said it is important it is right for the neighborhood, and said there is a discussion in the Manual regarding the appropriate use and need of a street in the future. He also did not support having a limit on community engagement for a project resulting in change to get consensus, and noted some projects having 60 to 100 engagement meetings.

In response to RB Councilmember Nehrenheim regarding having an island in the middle of a block, Mr. Miller stated this would slow down traffic which has been done in other communities. He also said it is easy to install a circle in a four-way intersection which avoids dealing with parking.

RB Councilmember Horvath supported having safe streets and giving people multiple options of getting around. He also welcomed elected official Olivia Valentine of Hawthorne to the meeting tonight.

### **iii. PUBLIC INPUT**

Jerri Russo, Manhattan Beach, did not support any further reduction on Aviation Boulevard. She supported some aspects of the Manual being useful to include the light remaining red and the walkway turning green, the pedestrian scramble in Hermosa Beach, and said she did not understand adding landscaping to make Aviation more walkable. She also requested addressing the intersection at 15<sup>th</sup> and Valley Ardmore.

Gary Mlynek, North Redondo, spoke on an article by Doug Macintyre and the Venice Boulevard road diet and loss of business due to traffic and parking impacts. He said if traffic is slowed down, there is more pollution, no economic growth due to more traffic, and he did not support the Vista Del Mar project. He suggested a good walk street at Avenue I and PCH, and opposed Aviation road diets or reducing lanes on main boulevards.

Sandy Wilson-White, South Redondo, stated Aviation Boulevard is another thoroughfare for people to commute to El Segundo and West Los Angeles, and she did not support taking away lanes for cars both ways, especially at certain times of the day. She also said people will not be getting out of their cars and using bicycles to go to work, and noted people from the hill will not be getting on the 405 Freeway to go north. She said if there is an accident on PCH, the only other option is Aviation Boulevard to get to the airport. She said funds for Prop 1 is not a given, and hoped Prop 6 wins for people of California. She proposed no LA road diets, and said this is about Agenda 21.

Chuck Tipton gave a history and said he knows the area. He said the LA project was executed poorly, but believed some ideas have some merit. He said the engagement portion is very important, and said tying of projects into other regional development plans are crucial to the ongoing development of the city and traffic patterns and use of arterials. He suggested looking at 30, 40 and 50 year plans regarding the area. He also referred to the Galleria project along an area that is already traffic choked. He noted accidents and said Rindge Avenue has become unusable at certain hours of the day. He suggested improving streets, other modalities, and looking at this holistically.

Laura Zahn noted most streets in North Redondo are one-way streets with sidewalks, trashcans, junk, meters sticking out, poles, fire hydrants and utility boxes, and stated North Redondo is not a walkable City. She also said landscape bulb outs are hard to maintain, with vegetation abuse, too much heat and wind for plants, pollutants, and trash.

Robert Addeus suggested a roundabout at Prospect and Aviation, Pier Avenue and Valley, and 15<sup>th</sup> and Valley. He said it is important to make streets livable and suggested reducing traffic congestion first which promotes health and improve safety. He suggested synchronizing traffic lights and improving traffic flow, and cutting streets off is a bad idea, pushing traffic into other areas. He said it is important to reduce traffic on residential streets and improve traffic flow on the arteries. He also opposed having excessive and unnecessary stop signs, making the speed problems worse, which are not the solution. He suggested finding better ideas.

Jacki Bacharach, Executive Director SBCCOG, supported flexibility, noted transportation is changing every month, received a grant from Caltrans for the slow speed network feasibility study for the South Bay, and dedicating space for slow speed vehicles of all types. She also said they sent a letter to Supervisor Hahn who stated they are looking at all their trails and bikeways, and what electric use might mean. She suggested integrating with what they are doing and what is being done here, and to address the future for all the different modes to come.

Wayne Powell commended the Beach Cities Council and Health District on the public workshop and stated the multimodal living streets is an important concept. He said a workshop in Manhattan Beach was well-received and stated the residents did not support roundabouts on the green belt at Manhattan Beach Boulevard, 15<sup>th</sup> Street and where Marine/Pacific/Valley and Ardmore all come together. He said the plan needs to be multimodal and the roundabouts don't achieve this. He suggested looking at a plan 10 to 20 years into the future where modes of transportation may be different.

Joe Franklin noted distracted drivers need to be addressed. He said he stays off the busy roads, supported promoting more bicycle usage, to make more room for cars, noted historical and societal bike usage in Amsterdam, electric bicycles are very effective and suggested considering some grants for electric bicycles which help mitigate the hills.

Sean Guthrie, Beach Cities Health District Livability Committee, supported blue zones, stated he walked and biked when he was young which was a much healthier lifestyle, stated he grew up in

Manhattan Beach, lived in Hermosa Beach and now in Redondo Beach, supported the three beach cities working together, walking school buses, and hoped to have meetings more often.

Jerry O'Conner, Manhattan Beach, stated he would like to see an overview of the project with a timeline and milestones, asked how much money was spent on this contract, and if there are more grants. He said an overview should be provided with all projects, particularly the Aviation project.

Lara Duke supported biking, referred to the Aviation proposal and questioned not getting off of main roads due to having living streets and neighborhoods. She suggested getting the message out to bike and to get out of cars.

BCHD Director Ms. Nakano supported all comments from the public, Councils and Board which is important due to being a regional issue. She noted themes around issues, priorities, focus on street networks and creating connectivity, intersection design, pedestrian and bikeway issues, bike master plan, transit and Greenline, and community engagement. She suggested having a dialogue regarding things relative and said it is important to share and market as action items go forward. She reviewed the milestones and timeline for this project and stated a draft plan will go back to the consultants to look at revisions to come back to the City Councils and Commissions.

#### **iv. COUNCIL DISCUSSION**

RB Councilmember Horvath stated the CCOG level focuses on transportation issues and in this case, there is an opportunity to involve the three beach cities, making streets livable, focusing on the 10 to 30 year plan, and to proceed in a policy way that doesn't necessarily affect the existing ridership.

BCHD Board Member Chatterji suggested having more bike racks and to make sure they are part of construction plans for new buildings and businesses.

MB Councilmember Howorth believed that biking is encouraged when there is the ability to lock them up. She suggested Aviation should be put aside for a long while, and believed things can be done within our own communities, helping each other with what may work or not work, and not backing up traffic into another town. She suggested more education regarding roundabouts, and that each Council go back with these guidelines presented tonight.

RB Councilmember Emdee stated Aviation Boulevard is the road to take to get up to El Segundo and asked what road would be an arterial to get out to the job centers. She said the cities already are tackling their own projects, and noted a lot of bicyclists are using Aviation Boulevard. She also observed more 50+ age bicyclists on electric bikes which helps with the hills. She did not support reducing the lanes at Marine and Manhattan Beach Boulevard, and suggested using Douglas for a bike lane to get to the job centers, noting there are many possibilities to review. She also supported solving regional transportation issues.

HB Councilmember Massey noted a 33% increase in population in the State of California over 30 years, difficulty in commuting, and stated the Living Streets Design Manual is giving viable alternatives for those who don't need to get in their cars. He supported creating walkable bikeable communities and noted this is what people want. He also said a primary metric on Zillow is a walk score for neighborhoods, noting there is a clear relationship between walkable and bikeable communities and property values, as well as quality of life. He said not driving improves quality of life, and being able to leave your car all weekend in the beach cities. He also supported economic vitality and said the bikeway on Harbor Drive is utilized very heavily along with foot traffic, and supported the green lanes protected from traffic. He said engagement and collaborative decision on implementation is important. He reviewed adopted plans and said a lot of planning has taken place. He said there is power in all the beach cities moving forward, and

suggested looking at Aviation Boulevard to implement some of the principals. He also reviewed businesses and walking, job centers, density around Aviation Boulevard and where it connects makes it a useful corridor. He also pointed out that Prospect is worth looking at as well as a connector, and supported the concept and work that has been done and moving the project forward.

BCHD President Chun stated that roundabouts are everywhere in the world which do not require stopping and keeps traffic moving and avoiding backup. He encouraged consideration of roundabouts first. He also noted there are 30 stop signs between Manhattan Beach Boulevard and Palos Verdes, and roundabouts would improve traffic and are far more effective in slowing traffic.

MB Councilmember Lesser supported coordination between all cities, cautioned the experience on Vista Del Mar, and supported looking at multimodal modes of traffic and improving other alternative routes of transportation.

RB Councilmember Horvath noted safety concerns and supported building something safe. He supported making the investments in the infrastructure without taking away car lanes and slowing down traffic and improving the flow. He also noted opportunities for use of multimodal forms of getting around and communicating to the public.

HB Councilmember Campbell supported Councilmember Massey's comments and stated some of the community engagement may benefit from tours of actual areas that are well-designed, and to see in action explaining the benefits more fully. She supported a parallel process, and immediately constructing a way for the three cities at least and occasionally including Hawthorne as needed to keep the conversation moving.

HB Mayor Pro Tem Hersman supported the South Bay Bicycle Master Plan and how it flows into this process. She also suggested including crosswalks between Manhattan Beach Boulevard, 2<sup>nd</sup> and Aviation, noting there is a large distance in between for people to cross. She also supported the cities working together.

BCHD Board member Poster supported all three cities and the Board at the same table and getting together. She supported reducing traffic in ways that are reasonable and help people get to places, safety and health, and having data showing safety. She said health is being increased through the work being done, community engagement, working together to create something better, multimodes transportation and how to plan for a future. She also supported trees and other green technology, economic vitality for local businesses and property values.

RB Councilmember Nehrenheim stated volume reduction in traffic is only successful if you can get people out of the car into a different mode of transportation. He supported the bike path, adding bike racks, and pointed out there are more bike shares and scooter share services being utilized on the bike path the further north you go where bicyclists are going south to Manhattan Beach.

BCHD Board Member Diehl referred to the Gallop Poll which noted leadership is weak, and hoped that events such as tonight will change this idea. She also supported engagement and leadership that cares and wants to help.

HB Councilmember Fangary thanked the Beach Cities Health District for this meeting tonight, supported community engagement, opposed the Vista Del Mar project which was a learning experience, supported working together, having more bike racks and better accessibility at Hermosa Beach and improving ADA access.

MB Councilmember Howorth suggested focusing on individual cities first, supported the great comments from collective colleagues tonight, and doing something to make traffic better other than reducing a lane of traffic.

HB Mayor Pro Tem Armato thanked the Beach Cities Health District and her colleagues, appreciated this as a tool coupled with the General Plan and useful guidelines. She reviewed projects taking place, and noted there are intersections that can be improved. She suggested exploring roundabouts and to have conversations with Caltrans about synchronizing the lights.

BCHD Board Member Chatterji stated stress levels have been increasing due to difficulty getting around and parking and sitting in traffic, and suggested moving cars through the system in a smoother way. He suggested having a stress score, and stated that stress and well-being should be included in the decision making process.

RB Councilmember Gran thanked everyone this evening and looked forward to working with them. He believed that Aviation is the right place to start, noting there are only two major thoroughfares hitting all three cities being Aviation Boulevard and Artesia Boulevard.

MB Mayor Napolitano thanked everyone for their comments, the Beach Cities Health District bringing this meeting together, and believed this is a beginning and opportunity, possibilities on all streets using these guidelines but will take more community engagement.

A member of the public suggested that the public get together and present their own list of having or not having roundabouts and priorities for the major arteries.

RB Mayor Pro Tem Horvath thanked everyone for coming and supported getting together again soon with further information.

**K. ADJOURNMENT at 9:09 p.m.**

There being no further business to come before the City Council, Motion by MB Councilmember Howorth, seconded by RB Councilmember Emdee to adjourn the meeting at 9:09 p.m. to the Regular Meeting to be held at 6:00 p.m. on Tuesday November 6, 2018, in the Redondo Beach City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California. Motion carried unanimously, with RB Mayor Brand and MB Councilmember Montgomery absent.

Respectfully submitted,

  
Eleanor Manzano, City Clerk



## Staff Report

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### Staff Report

REPORT 19-0034

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**CHECK REGISTERS**  
(Finance Director Viki Copeland)

**Recommended Action:**

Staff recommends that the City Council ratify the following check registers.

**Attachments:**

1. Check Register 12/20/18
2. Check Register 12/27/18
3. Check Register 12/31/18
4. Check Register 1/3/19

**Approved:** Viki Copeland, Finance Director

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 1

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90805	12/20/2018	21188	ACCESS FUND	Receipt 2000484.002	DAMAGE DEPOSIT REFUND
		21188		001-2111	500.00
				<b>Total :</b>	<b>500.00</b>
90806	12/20/2018	12470	AMERICAS TROPHY COMPANY	PO 14767	MEMORIAL BENCH PLAQUE/STANLEY HONDA
		12470		001-6101-5402	187.79
				<b>Total :</b>	<b>187.79</b>
90807	12/20/2018	18891	ASCENT ELEVATOR SERVICES, INC	14302 (PO 14268)	ELEVATOR MAINTENANCE/DEC18
		18891		001-4204-4201	288.00
				<b>Total :</b>	<b>288.00</b>
90808	12/20/2018	00321	AT&T	248 134-9454 462 8	PD COMPUTER CIRCUITS/DEC18
				001-2101-4304	52.06
				310 796-6526 991 3	PD COMPUTER CIRCUITS/DEC18
				001-2101-4304	92.29
				960-461-1985 555 7	PD COMPUTER CIRCUITS/DEC18
				001-2101-4304	108.62
		00321		<b>Total :</b>	<b>252.97</b>
90809	12/20/2018	17271	BARROWS, PATRICK	PO 14949	INSTRUCTOR PAYMENT
		17271		001-4601-4221	5,628.00
				<b>Total :</b>	<b>5,628.00</b>
90810	12/20/2018	12387	BARTEL ASSOCIATES LLC	18-1066 (PO 13559)	OPEB VALUATION FYE 6/30/17/OCT18
		12387		001-1202-4201	10,062.00
				<b>Total :</b>	<b>10,062.00</b>
90811	12/20/2018	20942	BEST BEST & KRIEGER LLP	837695	CITY ATTORNEY SERVICES/NOV18
				001-1131-4201	34,140.62
				837696	CITY ATTORNEY SERVICES/LAND USE/NOV18
				001-1131-4201	7,699.40
				837697	CITY ATTORNEY SERVICES/CROSSFIT/NOV18
				001-1132-4201	10,086.10
				837698	CITY ATTORNEY SERVICES/ROTH V TRAN/NOV18
				001-1131-4201	6,705.60
				837699	CITY ATTORNEY/PIER STRAND HOTEL
				001-2105	750.00



**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 2

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90811	12/20/2018	20942	BEST BEST & KRIEGER LLP	(Continued)	<b>Total : 59,381.72</b>
90812	12/20/2018	10339	CALIFORNIA SCIENCE CENTER FOUN	PO 14296	EXCURSION TICKETS
		10339		001-4601-4201	1,052.75
				<b>Total :</b>	<b>1,052.75</b>
90813	12/20/2018	09694	CLEAN ENERGY	CE12143287	VEHICLES/COMPRESSED NATURAL GAS/NOV18
				715-3104-4310	112.49
				715-2601-4310	76.35
				715-6101-4310	162.71
				715-3109-4310	99.56
				715-4601-4310	82.90
		09694		<b>Total :</b>	<b>534.01</b>
90814	12/20/2018	11449	DEWEY PEST CONTROL	Account 1233239	SEWER RAT ABATEMENT/DEC18
		11449		160-3102-4201	262.00
				<b>Total :</b>	<b>262.00</b>
90815	12/20/2018	21034	DOWNSTREAM SERVICES, INC.	102770 (PO 14372)	STORM DRAIN CATCH BASIN MAINT/NOV18
		21034		161-3109-4201	90.00
				<b>Total :</b>	<b>90.00</b>
90816	12/20/2018	20668	DUNCAN SOLUTIONS, INC.	DS0000001408	AUTOCITE PARKING CITATION FEES/NOV18
		20668		001-1204-4201	4,340.83
				<b>Total :</b>	<b>4,340.83</b>
90817	12/20/2018	07853	EMPIRE PIPE CLEANING AND EQUIP	11453	CLEAN & VIDEO INSPECT SEWERS/NOV18
		07853		160-3102-4201	37,886.38
				<b>Total :</b>	<b>37,886.38</b>
90818	12/20/2018	19988	ESCUTIA, XOCHITL	PO 32771/TR 754	TRAVEL REIMB/CALPAC
		19988		001-2101-4317	252.10
				<b>Total :</b>	<b>252.10</b>
90819	12/20/2018	16932	FAMILY THEATRE INC	PO 14873	INSTRUCTOR PAYMENT/CLASS NO. 7751
		16932		001-4601-4221	1,260.00
				<b>Total :</b>	<b>1,260.00</b>
90820	12/20/2018	01962	FEDERAL EXPRESS CORP	1238-9933-4	MAT REQ 549597/SHIPPING SERVICES
				001-1203-4305	21.26

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 3

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90820	12/20/2018	01962	FEDERAL EXPRESS CORP	(Continued)	
			1238-9933-4	MAT REQ 549597/SHIPPING SERVICES	
				001-1203-4305	77.05
		01962		<b>Total :</b>	<b>98.31</b>
90821	12/20/2018	21096	FILE KEEPERS, LLC	539562 (PO 12873)	SCANNING PROJECT/AUG18
				715-1201-4201	34,935.68
			546353 (PO 12873)	SCANNING PROJECT/OCT18	
				715-1201-4201	1,631.25
			546387 (PO 12873)	SCANNING PROJECT/OCT18	
				715-1201-4201	239.34
			546388 (PO 12873)	SCANNING PROJECT/OCT18	
				715-1201-4201	427.26
			546389 (PO 12873)	SCANNING PROJECT/OCT18	
				715-1201-4201	187.14
			549739 (PO 12873)	SCANNING PROJECT/NOV18	
				715-1201-4201	20,991.17
			549740 (PO 12873)	SCANNING PROJECT/NOV18	
				715-1201-4201	18,599.53
		21096		<b>Total :</b>	<b>77,011.37</b>
90822	12/20/2018	19884	FRONTIER	209-188-4669-0714985	LANDLINES/COMPUTER LINKS/DEC18
				001-3302-4304	66.73
				001-2101-4304	792.80
				001-4204-4321	205.08
				001-4202-4304	52.30
				001-4201-4304	150.62
				001-3304-4304	57.16
				001-1204-4304	49.42
			209-190-0013-1206175	PD COMPUTER CIRCUITS/DEC18	
				001-2101-4304	879.66
			310-318-9210-0827185	DUI BREATH TESTER/DEC18	
				001-2101-4304	61.75
			310-318-9800-1204155	CHAMBERS EOC ANALOG LINES/DEC18	
				715-1206-4201	1,410.14
			310-372-6373-0311045	PERSONNEL FAX LINE/DEC18	
				001-1203-4304	49.45
			323-155-6779-0822065	FIBER OPTIC LINE/JAN19	
				715-1206-4201	212.68

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 4

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90822	12/20/2018	19884	FRONTIER	(Continued)	
			323-159-2268-0924145	EOC CABLE & INTERNET/DEC18	
				001-1201-4304	286.57
		19884		<b>Total :</b>	<b>4,274.36</b>
90823	12/20/2018	10306	GAGLIA, MICK	PO 32772	
				REIMB/FBI TRAINING REFRESHMENTS	
				001-2101-4317	114.55
		10306		<b>Total :</b>	<b>114.55</b>
90824	12/20/2018	16934	GOLD COAST TOURS	375369	
				MAT REQ 863369/EXCURSION TRANSPORTATION	
				145-3409-4201	1,257.65
		16934		<b>Total :</b>	<b>1,257.65</b>
90825	12/20/2018	20627	GOLDEN TOUCH CLEANING, INC.	65751 (PO 14468)	
				JANITORIAL/CITY-OWNED BLDGS/NOV18	
				001-4204-4201	9,111.00
		20627		<b>Total :</b>	<b>9,111.00</b>
90826	12/20/2018	19314	IPS GROUP INC	38611 (PO 14700)	
				7 MULTISPACE PARKING METER FACE PLATES	
				001-3302-4309	575.21
		19314		<b>Total :</b>	<b>575.21</b>
90827	12/20/2018	21176	JENSEN, SANDY	PO 32762	
				DISMISSED CITATION NO. 40001814	
				001-3302	53.00
		21176		<b>Total :</b>	<b>53.00</b>
90828	12/20/2018	21177	KALAI P. ALULI, JESSE M. LANGRIDGE	PO 32763	
				DISMISSED CITATION NO. 38001362	
				001-3302	48.00
		21177		<b>Total :</b>	<b>48.00</b>
90829	12/20/2018	20347	LAURA MECOY COMMUNICATIONS LLC	10-2018 (PO 14465)	
				PUBLIC INFORMATION OFFICER	
				001-1101-4201	6,000.00
		20347		<b>Total :</b>	<b>6,000.00</b>
90830	12/20/2018	00167	LEARNED LUMBER	B642255 to B644867	
				MAINTENANCE SUPPLIES/NOV18	
				001-3104-4309	182.68
				001-4204-4309	43.10
				001-6101-4309	237.09
		00167		<b>Total :</b>	<b>462.87</b>
90831	12/20/2018	12482	LEXISNEXIS RISK DATA MGMT INC	1114400-20181130	
				PD/INFORMATION SERVICES/NOV18	

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 5

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90831	12/20/2018	12482	LEXISNEXIS RISK DATA MGMT INC	(Continued)	
		12482		001-2101-4201	102.15
				<b>Total :</b>	<b>102.15</b>
90832	12/20/2018	19487	M6 CONSULTING INC	1017-18 (PO 9142)	
		19487		ENCROACHMENT PERMIT REVIEW/OCT18	
				001-4202-4201	4,215.00
				<b>Total :</b>	<b>4,215.00</b>
90833	12/20/2018	18312	MANIACI INSURANCE SERVICES	914 (PO 14354)	
		18312		BENEFITS CONNECT ADMINISTRATION/NOV18	
				001-1203-4201	569.16
				<b>Total :</b>	<b>569.16</b>
90834	12/20/2018	20898	MCCORMICK AMBULANCE	225336 (PO 14429)	
		20898		AMBULANCE TRANSPORT SERVICES/NOV18	
				001-1201-4201	28,120.00
				<b>Total :</b>	<b>28,120.00</b>
90835	12/20/2018	18071	MERCHANTS LANDSCAPE SERVICES	53117	
				CITYWIDE LANDSCAPING SERVICES/NOV18	
				001-6101-4201	19,200.00
			53118	CITYWIDE LANDSCAPING SERVICES/NOV18	
				105-2601-4201	3,700.00
		18071		<b>Total :</b>	<b>22,900.00</b>
90836	12/20/2018	21178	MEZA, DANNY & SILVIA	PO 32764	
		21178		DISMISSED CITATION NO. 43003467	
				001-3302	53.00
				<b>Total :</b>	<b>53.00</b>
90837	12/20/2018	18541	MOHLMAN, PAUL	PO 32765	
		18541		DISMISSED CITATION NO. 30012590	
				001-3302	48.00
				<b>Total :</b>	<b>48.00</b>
90838	12/20/2018	11454	MOST DEPENDABLE FOUNTAINS	INV53840	
		11454		PO 14938/DRINKING FOUNTAIN REPAIR PARTS	
				001-6101-4309	602.92
				<b>Total :</b>	<b>602.92</b>
90839	12/20/2018	19489	PATER, STEPHEN W	Parcel 4161-030-003	
		19489		STREET LIGHT TAX REBATE	
				105-3105	24.61
				<b>Total :</b>	<b>24.61</b>
90840	12/20/2018	17130	PH AND S PRODUCTS LLC	0010329-IN	
				PO 14947/EXAM GLOVES FOR JAIL	
				001-2101-4306	420.00

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 6

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90840	12/20/2018	17130	PH AND S PRODUCTS LLC	(Continued)	<b>Total : 420.00</b>
90841	12/20/2018	19853	POMERANITZ, EFRAT G.	PO 14915	INSTRUCTOR PAYMENT/CLASS NO. 7849
		19853		001-4601-4221	210.00
				<b>Total :</b>	<b>210.00</b>
90842	12/20/2018	11539	PROSUM TECHNOLOGY SERVICES	SIN018305 (PO 14224)	IT SUPPORT SERVICES/DEC18
		11539		715-1206-4201	14,830.42
				<b>Total :</b>	<b>14,830.42</b>
90843	12/20/2018	01911	PROVIDENCE MEDICAL INSTITUTE	Guarantor 600000285	REQ 549595/PRE-EMPLOY PHYSICALS/NOV18
		01911		001-1203-4320	562.00
				<b>Total :</b>	<b>562.00</b>
90844	12/20/2018	13255	RED SECURITY GROUP, LLC	54005 (PO 14785)	BARD ST/SOUTH GATE/INTERCOM & KEYPAD
		13255		301-8673-4201	2,000.81
				<b>Total :</b>	<b>2,000.81</b>
90845	12/20/2018	16425	SAFEWAY INC VONS	434699-112818-2110	MAT REQ 863334/SAND SNOWMAN GIFT BASKETS
				001-4601-4308	131.89
				720303-111418-2110	STAFF MEETING REFRESHMENTS
				001-4601-4317	10.88
				804120-112718-2110	MAT REQ 863332/PARK PROGRAM SNACKS
				001-4601-4308	37.45
		16425		<b>Total :</b>	<b>180.22</b>
90846	12/20/2018	07158	SIEMENS INDUSTRY INC	5620022146	TRAFFIC SIGNAL MAINT/OCT18
		07158		145-8174-4201	2,248.80
				<b>Total :</b>	<b>2,248.80</b>
90847	12/20/2018	02186	SIRCHIE FINGER PRINT LABS	0375254-IN	PO 14951/PROPERTY & EVIDENCE SUPPLIES
		02186		001-2101-4305	567.91
				<b>Total :</b>	<b>567.91</b>
90848	12/20/2018	00159	SOUTHERN CALIFORNIA EDISON CO	2-00-989-6911	ELECTRICITY/NOV18
				105-2601-4303	107.90
				2-00-989-7315	ELECTRICITY/NOV18
				105-2601-4303	42,172.09
				001-4204-4303	1,568.47
				2-00-989-7315	ENERGY EFFICIENCY UPGRADES PMT 6 OF 85

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 7

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90848	12/20/2018	00159	SOUTHERN CALIFORNIA EDISON CO	(Continued)	
				105-2601-4303	2,912.86
				001-4204-4303	1,568.47
			2-00-989-7315	ELECTRICITY/OCT18	
				105-2601-4303	-16,619.65
			2-01-836-7458	ELECTRICITY/NOV18	
				105-2601-4303	15.50
			2-02-274-0542	ELECTRICITY/NOV18	
				001-6101-4303	25.43
			2-08-629-3669	ELECTRICITY/NOV18	
				001-4204-4303	75.38
			2-09-076-5850	ELECTRICITY/NOV18	
				105-2601-4303	71.67
			2-19-024-1604	ELECTRICITY/NOV18	
				001-4204-4303	1,151.74
			2-20-128-4825	ELECTRICITY/NOV18	
				001-3304-4303	1,369.97
			2-20-128-5475	ELECTRICITY/NOV18	
				001-4204-4303	220.77
			2-20-984-6369	ELECTRICITY/NOV18	
				105-2601-4303	61.44
			2-21-400-7684	ELECTRICITY/NOV18	
				105-2601-4303	35.55
			2-26-686-5930	ELECTRICITY/NOV18	
				105-2601-4303	297.38
			2-31-250-3303	ELECTRICITY/NOV18	
				001-4204-4303	43.62
			2-37-909-1838	ELECTRICITY/NOV18	
				001-4204-4303	469.06
		00159		<b>Total :</b>	<b>35,547.65</b>
90849	12/20/2018	00146	SPARKLETTS	4472788 120618	
				COMM RES/DRINKING WATER/DEC18	
				001-4601-4305	234.43
		00146		<b>Total :</b>	<b>234.43</b>
90850	12/20/2018	20236	SPECTRUM BUSINESS	0046247121218	
				CITY HALL/CABLE/JAN19	
				715-4204-4201	83.98
			0049969120118	PD/CABLE/DEC18	
				001-2101-4201	72.09

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 8

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90850	12/20/2018	20236	SPECTRUM BUSINESS	(Continued)	
			008884120518	PW YARD/CABLE/JAN19	
				001-4202-4201	114.06
			0241699120818	CITY HALL/BACKUP INTERNET 12/17-1/16/19	
				715-1206-4201	84.99
			0350359121118	1301 HERMOSA/RCC CONNECTION/JAN19	
				001-2101-4304	139.99
			0352413121218	PD COMPUTER CIRCUITS/JAN19	
				001-2101-4304	261.81
		20236		<b>Total :</b>	<b>756.92</b>
90851	12/20/2018	10098	SPRINT	269424317-204	PD TRUNK MODEM/NOV18
				153-2106-4201	35.00
			551834312-204	COMM RES/CELL PHONES/NOV18	
				001-4601-4304	161.45
		10098		<b>Total :</b>	<b>196.45</b>
90852	12/20/2018	15398	SRK PROMOTIONAL ADVERTISING	4145 (PO 14811)	50 STAFF UNIFORM HATS
				001-4601-4201	784.02
			4167 (PO 14894)	20 WOMEN'S STAFF UNIFORM JACEKTS W/ LOGO	
				001-4601-4201	786.50
			4168 (PO 14893)	25 MEN'S STAFF UNIFORM JACKETS W/LOGO	
				001-4601-4201	997.55
		15398		<b>Total :</b>	<b>2,568.07</b>
90853	12/20/2018	11102	TORRANCE WHOLESALE NURSERY	060711	MAT REQ 532443/PLANTS
				125-8546-4201	190.00
			060713	MAT REQ 532442/PLANTS	
				125-8546-4201	156.77
			262504	PO 14406/PARKING LOT D PLANTS	
				150-8682-4201	191.20
		11102		<b>Total :</b>	<b>537.97</b>
90854	12/20/2018	08207	UNDERGROUND SERVICE ALERT	1120180311	UNDERGROUND SERVICE ALERTS/NOV18
				160-3102-4201	90.85
		08207		<b>Total :</b>	<b>90.85</b>
90855	12/20/2018	03209	VERIZON WIRELESS LA	9820147237	EMERGENCY MANAGER/CELL PHONE/NOV18
				001-1201-4304	53.78

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 9

12/20/2018 4:51:48PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90855	12/20/2018	03209 VERIZON WIRELESS LA	(Continued)		<b>Total : 53.78</b>
90856	12/20/2018	20283 WALLER, MICHELE L	Parcel 4184-024-022	STREET LIGHT TAX REBATE 105-3105	24.61
		20283			<b>Total : 24.61</b>
50181355	11/2/2018	13838 PITNEY BOWES INC	12/20/18 Check Run	POSTAGE METER REFILL/NOV18 001-1208-4305	1,000.00
		13838			<b>Total : 1,000.00</b>
450156619	12/12/2018	00170 SOCAL GAS	12/20/18 Check Run	GAS BILL/SEP18 001-4204-4303	77.76
		00170			<b>Total : 77.76</b>
<b>54 Vouchers for bank code : boa</b>					<b>Bank total : 339,728.36</b>
<b>54 Vouchers in this report</b>					<b>Total vouchers : 339,728.36</b>

"I hereby certify that the demands or claims covered by the checks listed on pages 1 to 9 inclusive, of the check register for 12/20/18 are accurate funds are available for payment, and are in conformance to the budget."

Charlotte Newkirk for



By

Finance Director

Date 1/10/19



**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 1

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90857	12/27/2018	21086	ABSOLUTE INTERNATIONAL SECURIT	2018052662/PO 14672	PLAZA/DOWNTOWN/SECURITY 12/7/18-12/8/18
				001-2101-4201	1,909.93
			2018052689/PO 14672	PLAZA/DOWNTOWN/SECURITY 12/14-12/15/18	
				001-2101-4201	1,962.90
		21086		<b>Total :</b>	<b>3,872.83</b>
90858	12/27/2018	04715	ADMINSURE, INC.	11625 (PO 14125)	GENERAL/AUTO LIABIL CLAIM ADMIN/JAN19
				705-1209-4201	1,300.00
		04715		<b>Total :</b>	<b>1,300.00</b>
90859	12/27/2018	12470	AMERICAS TROPHY COMPANY	PO 14769	MEMORIAL BENCH PLAQUE/MICHAEL SHERLOCK
				001-6101-5402	187.79
		12470		<b>Total :</b>	<b>187.79</b>
90860	12/27/2018	21185	ANDERSON, JONATHAN	PO 32773	DISMISSED CITATION NO. 39002731
				001-3302	38.00
		21185		<b>Total :</b>	<b>38.00</b>
90861	12/27/2018	13361	AT&T MOBILITY	287016141723X1214201	PUMP STATIONS/PW ADMIN CELL PHONES/NOV18
				001-4202-4304	203.30
		13361		<b>Total :</b>	<b>203.30</b>
90862	12/27/2018	16660	ATHENS SERVICES	5958425 (PO 14490)	CITYWIDE PORTER SERVICES/NOV18
				001-3301-4201	10,272.88
				001-3104-4201	15,415.14
				001-3304-4201	1,415.49
				001-6101-4201	1,509.30
			5958425-A (PO 14490)	CITYWIDE STEAM CLEANING/NOV18	
				001-3301-4201	5,982.88
				001-3304-4201	267.31
				001-3104-4201	856.58
		16660		<b>Total :</b>	<b>35,719.58</b>
90863	12/27/2018	16660	ATHENS SERVICES	6002972 (PO 14581)	PD SHREDDING/DEC18
				001-2101-4309	44.44
		16660		<b>Total :</b>	<b>44.44</b>
90864	12/27/2018	21186	BARRON, ALYSSA	PO 32774	DISMISSED CITATION NO. 40001671
				001-3302	38.00

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 2

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90864	12/27/2018	21186	BARRON, ALYSSA	(Continued)	<b>Total : 38.00</b>
90865	12/27/2018	03621	CALIFORNIA FENCE AND SUPPLY CO	7066 (PO 14968)	PICKLEBALL COURTS EMERGENCY FENCE REPAIR
		03621		125-8546-4201	1,232.00
				<b>Total :</b>	<b>1,232.00</b>
90866	12/27/2018	00262	CALIFORNIA MARKING DEVICE	6158	MAT REQ 973737/ARMATO SIGNATURE STAMP
		00262		001-1121-4305	56.94
				<b>Total :</b>	<b>56.94</b>
90867	12/27/2018	10838	CANON BUSINESS SOLUTIONS, INC	4027708149/PO 14541	RECORDS COPIER 8/31/18-11/29/18
				715-2101-4201	104.54
			4027848784	PO 14656/DETECTIVE COPIER 9/11-12/10/18	
				715-2101-4201	497.59
		10838		<b>Total :</b>	<b>602.13</b>
90868	12/27/2018	09632	CDWG	QDC7157 (PO 14899)	JAIL CAMERA ADD'L STORAGE/HARD DRIVE
				715-2101-5405	21,626.25
			QDR7076 (PO 14899)	JAIL CAMERA ADD'L STORAGE/HARD DRIVE	
				715-2101-5405	53.66
			QFN6944 (PO 14899)	JAIL CAM ADD'L STORAGE/HARD DRIVE/REFUND	
				715-2101-5405	-53.66
			QGQ1659	MAT REQ 773262/PRINTER TONER	
				001-2101-4305	492.81
			QJW3113	MAT REQ 649683/PRINTER TONER/INK	
				715-1206-4305	2,083.95
		09632		<b>Total :</b>	<b>24,203.01</b>
90869	12/27/2018	20781	COUNTY OF LOS ANGELES	C0008743 (PO 14098)	FIRE PROTECTION SERVICES/JAN19
				001-2202-4251	395,244.77
				180-2202-4251	3,306.56
				001-2202-4111	10,629.60
				001-2202-5601	37,882.50
		20781		<b>Total :</b>	<b>447,063.43</b>
90870	12/27/2018	11449	DEWEY PEST CONTROL	Account 759408	PO 14430/PEST CONTROL/DEC18
		11449		001-4204-4201	694.00
				<b>Total :</b>	<b>694.00</b>
90871	12/27/2018	20611	DUDEK	20187253 (PO 12424)	CITY YARD REMEDIATION 9/29/18-10/26/18

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 3

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90871	12/27/2018	20611	DUDEK	(Continued)	
		20611		001-8615-4201	2,250.00
				<b>Total :</b>	<b>2,250.00</b>
90872	12/27/2018	01962	FEDERAL EXPRESS CORP	6-398-85750	
		01962		MAT REQ 837837/DELIVERY TO OES	
				001-1201-4317	52.40
				<b>Total :</b>	<b>52.40</b>
90873	12/27/2018	06293	FEDEX KINKOS INC	101600010876	
		06293		MAT REQ 549822/LAMINATED POSTER/EOC	
				001-1201-4305	169.76
				<b>Total :</b>	<b>169.76</b>
90874	12/27/2018	21172	FINDLAY, NATALIE	PO 32753	
		21172		SIGNED-OFF CITATION NO. 35005789	
				001-3302	28.00
				<b>Total :</b>	<b>28.00</b>
90875	12/27/2018	19884	FRONTIER	310-372-6186-0831895	
				2ND FLOOR CITY HALL CANON FAX/JAN19	
				001-1121-4304	10.42
				001-1141-4304	10.42
				001-1201-4304	10.42
				001-1202-4304	10.42
				001-1203-4304	10.42
		19884		<b>Total :</b>	<b>52.10</b>
90876	12/27/2018	20790	GATEHOUSE MSI, LLC	27418-2 (PO 14234)	
				JAIL BOOKING AREA/WORKSTATION/CABINETS	
				301-8614-4201	10,194.02
				27418-3 (PO 14341)	
				JAIL BOOKING AREA/WORKSTATION/CABINETS	
				301-8614-4201	1,805.63
		20790		<b>Total :</b>	<b>11,999.65</b>
90877	12/27/2018	14589	GRANICUS INC	106670 (PO 14420)	
		14589		MONTHLY MANAGED SRVCS/3RD QUARTER	
				715-1206-4201	12,320.38
				<b>Total :</b>	<b>12,320.38</b>
90878	12/27/2018	13330	HAJOCA CORP	S154596405.001	
				MAT REQ 773497/PLUMBING SUPPLIES	
				001-4204-4309	375.37
				S154596467.001	
				REQ 773498/FLASHLIGHT/HEADLAMP/PUMP	
				001-4204-4309	475.83
				S154596556.001	
				REQ 773496/CHRONOMITE WATER HEATERS (2)	
				001-4204-4309	344.53

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 4

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90878	12/27/2018	13330	HAJOCA CORP	(Continued)	<b>Total : 1,195.73</b>
90879	12/27/2018	16742	INDEPENDENT STATIONERS	SI00320625	MAT REQ 773260/REPORT COVERS/PENS 001-2101-4305 99.57
				SI00321928	MAT REQ 773264/LABELS/CALENDAR/PENS 001-2101-4305 52.64
		16742			<b>Total : 152.21</b>
90880	12/27/2018	19314	IPS GROUP INC	38341 (PO 14489)	PARKING METER WIRELESS/CC FEES/NOV18 001-3305-4201 841.71 001-3304-4201 1,056.42 001-3302-4201 8,952.17
		19314			<b>Total : 10,850.30</b>
90881	12/27/2018	21184	JARA, PENNY	PO 32784	DISMISSED CITATION NO. 37004458 001-3302 53.00
		21184			<b>Total : 53.00</b>
90882	12/27/2018	00151	LA CO SHERIFFS DEPARTMENT	191847BL	MAT REQ 863255/PRISONER MEALS/NOV18 001-2101-4306 85.15
		00151			<b>Total : 85.15</b>
90883	12/27/2018	21183	LUCERO, JOSUE	PO 32779	DISMISSED CITATION NO. 36001850 001-3302 53.00
		21183			<b>Total : 53.00</b>
90884	12/27/2018	10324	MUNISERVICES, LLC	INV06-004639	PO 13550/UUT AUDIT/2ND QUARTER 001-1202-4201 2,500.00
		10324			<b>Total : 2,500.00</b>
90885	12/27/2018	21145	MURPHY, ANDREW	PO 14851	DISMISSED CITATION NO. 31005195 001-3302 53.00
		21145			<b>Total : 53.00</b>
90886	12/27/2018	18048	NATIONAL AUTO FLEET GROUP	PO 2101-13762	PD/2018 TOYOTA SIENNA PASSENGER VAN 715-2101-5403 31,289.62
		18048			<b>Total : 31,289.62</b>
90887	12/27/2018	21182	NOGUERA, JENNY	PO 32780	DISMISSED CITATION NO. 31006819 001-3302 53.00

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 5

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90887	12/27/2018	21182 NOGUERA, JENNY	(Continued)	<b>Total :</b>	<b>53.00</b>
90888	12/27/2018	13114 OFFICE DEPOT	2252516616	MAT REQ 837836/BINDERS/POLY COVERS	
				001-1201-4305	60.79
			232438908002	MAT REQ 649758/CLASP ENVELOPES	
				001-4101-4305	5.48
			235753489001	MAT REQ 649625/"SCANNED" STAMPS (10)	
				001-1208-4305	55.08
			237436921001	MAT REQ 863437/DESK CALENDAR/POST-ITS	
				001-4601-4305	61.57
			238157287001	MAT REQ 773257/OFFICE SUPPLIES	
				001-2101-4305	87.28
			239786586001	MAT REQ 973732/OFFICE SUPPLIES	
				001-1121-4305	82.97
			239977969001	MAT REQ 863439/HEATER TOWER	
				001-4601-4305	45.60
			239978073001	MAT REQ 863439/NOTEBOOK/PADS/PLANNER	
				001-4601-4305	47.71
			241540456001	MAT REQ 649760/CALENDARS (4)	
				001-4101-4305	90.43
			241552565001	MAT REQ 863440/WALL HOOKS FOR COATS	
				001-4601-4328	68.32
			241608715001	MAT REQ 649761/CALENDARS (2) & 1 PLANNER	
				001-4101-4305	40.09
			242204443001	MAT REQ 863441/DESK PAD/GEL PENS	
				001-4601-4305	40.66
			242204911001	MAT REQ 863441/ADJUSTABLE FOOT REST	
				001-4601-4305	19.26
			246243931001	PO 14970/DESK CALENDAR	
				001-4202-4305	6.89
			246244352001	PO 14970/OFFICE SUPPLIES	
				001-4202-4305	215.93
			246244353001	PO 14970/MONTHLY PLANNER	
				001-4202-4305	18.71
			246349796001	MAT REQ 549594/ENVELOPES/PAPER/PENCILS	
				001-1203-4305	60.91
			246642900001	MAT REQ 649648/OFFICE SUPPLIES	
				001-1202-4305	20.34
				001-1208-4305	38.34

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 6

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90888	12/27/2018	13114	OFFICE DEPOT	(Continued)	<b>Total : 1,066.36</b>
90889	12/27/2018	14693	PARS	41763	PARS ARS FEES/OCT18
				001-1101-4185	15.08
				001-1204-4185	1.42
				001-3302-4185	6.99
				001-4204-4185	13.09
				001-4101-4185	14.61
				001-4201-4185	14.61
				001-4601-4185	234.20
		14693		<b>Total :</b>	<b>300.00</b>
90890	12/27/2018	11539	PROSUM TECHNOLOGY SERVICES	SIN018575 (PO 14898)	JAIL CAMERA SYS UPGRADE/ADD'L STORAGE
		11539		715-2101-5405	1,280.00
				<b>Total :</b>	<b>1,280.00</b>
90891	12/27/2018	13255	RED SECURITY GROUP, LLC	52030 (PO 12074)	CUSTOM GATE FOR NEW LOCK SYSTEM AT PD
				001-8614-4201	1,200.00
				54472	MAT REQ 649513/DEADBOLT/REKEY
				001-4204-4309	98.22
		13255		<b>Total :</b>	<b>1,298.22</b>
90892	12/27/2018	18596	ROCK N ROLL CAR WASH LLC	215	CITY CAR WASHES/NOV18
				715-2101-4311	210.00
				715-3302-4311	15.00
				715-4202-4311	25.00
				715-4201-4311	10.00
		18596		<b>Total :</b>	<b>260.00</b>
90893	12/27/2018	03353	SBCU VISA	08K0034513168 CC	PD/WATER DELIVERY 10/13/18-11/12/18
				IC30411-1018 CC	001-2101-4305
				Mat Req 549630 CC	PO 14338/CONFERENCE LINE/OCT18
				Order 39883567 CC	001-1201-4304
				PO 14595 CC	SCHEID/RETURNED SCABBARD HOLDER
					001-2101-4201
					PO 14909/AHLSTROM/500 BUSINESS CARDS
					001-3302-4305
					LA LA LAND DAY/LIGHT POSTS/DELIVERY SRVC
					001-1101-4319
					1,064.40

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 7

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90893	12/27/2018	03353	SBCU VISA	(Continued)	
			PO 14631 CC	EOC/DEFIBRILLATOR PAD SET 001-1201-4201	66.74
			PO 14748 CC	EASEL LA LA LAND PLAQUE - REFUND 001-1101-4319	-90.95
			PO 14809 CC	24 WEAPON-MOUNTED FLASHLIGHT BATTERIES 001-2101-4305	44.34
			PO 14813 CC	50 BINGO CARDS FOR SENIOR CENTER 001-4601-4328	79.99
			PO 14842 CC	24 YOGA BOLSTERS FOR SENIOR CENTER 001-4601-4328	571.54
			PO 14856 CC	SECURITY CAMERA FOR BARD STREET GATES 301-8673-4201	441.85
			PO 14858 CC	CITY HALL FRONT DOORS/2 ADA LOCK SYSTEM 715-4202-4201	105.08
			PO 14859 CC	INTERCOM SYS FOR BARD ST PEDESTRIAN GATE 001-8614-4201	765.41
			PO 14859 CC	PEDESTRIAN GATE INTERCOM DUPLICATE ORDER 001-8614-4201	765.41
			PO 14859 CC	PEDESTRIAN GATE INTERCOM SYS/REFUND 001-8614-4201	-753.32
			PO 14863 CC	AIELLO/DAVIS/BUSINESS GRAMMER/PROOFREAD 001-3302-4317	298.00
			PO 14874 CC	MCKINNON/MEMBERSHIP/JAN19-DEC19 001-2101-4314	150.00
			PO 14904 CC	SANTA SLEIGH EVENT/STUFFED TOY PENGUINS 001-3302-4201	239.84
			PO 14917 CC	PIER PLAZA CLOCK REPAIR PARTS 001-3301-4309	150.16
			PO 14918 CC	VILLANUEVA/ERGONOMIC KEYBOARD 001-1203-4305	134.61
			PO 14919 CC	VILLANUEVA/ERGONOMIC CHAIR 001-1203-4305	649.43
			PO 14921 CC	MAYOR ROTATION CEREMONY/GAVEL PLAQUE 001-1101-4319	80.98
			PO 14922 CC	DONATION/HOLIDAY GIFT BAG PROJECT 001-1101-4319	453.00
			PO 14923 CC	MEYER FAMILY CERT OF SYMPATHY POSTAGE 001-1101-4305	9.14

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 8

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount	
90893	12/27/2018	03353	SBCU VISA	(Continued)		
			PO 14927 CC	SANTA SLEIGH EVENT DECORATIONS 001-3302-4201	155.84	
			PO 14940 CC	DESANTIS WEAPON HOLSTERS FOR DETECTIVES 001-2101-4314	124.16	
			PO 32799 CC	MANAGEMENT RETREAT DEPOSIT 001-1203-4317	1,895.00	
			Receipt CC	SENIOR CENTER MOVIES/MUSIC/NOV18 001-4601-4328	15.98	
			Receipt CC	POSTAGE/CERTIFICATE OF RECOGNITION 001-1101-4305	9.44	
			Receipt CC	CITY COUNCIL DINNER 001-1101-4305	346.60	
			Receipt CC	CITY COUNCIL DINNER 001-1101-4305	213.38	
			Receipt CC	COMMUNITY POLICE ADVISORY BOARD DINNER 001-3302-4201	106.56	
			TR 743 CC	BRUNN/CNOA TRAINING & EXPO/ROOM/PARKING 001-2101-4317	627.95	
			TR 752 CC	SCHEID/POST MGMT COURSE/ROOM & PARKING 001-2101-4312	580.96	
			TR 754 CC	ESCUTIA/CA POLICE ACCRED COALITION 001-2101-4317	155.96	
			TransIDEnding3579 CC	CITY-RELATED EVENT ADS 10/11/18-11/10/18 001-1101-4201	85.44	
			Travel CC	ARMATO/MEETING REGISTRATION 001-1101-4317	700.00	
		03353		Total :	10,380.03	
90894	12/27/2018	07158	SIEMENS INDUSTRY INC	5620022176	TRAFFIC SIGNAL MAINT/NOV18 001-3104-4201	1,361.56
		07158			Total :	1,361.56
90895	12/27/2018	19829	SITEONE LANDSCAPE SUPPLY	87870787-001	MAT REQ 532439/SMARTLINE 1 YR SRVC PLAN 001-6101-4309	504.96
		19829			Total :	504.96
90896	12/27/2018	00113	SOUTH BAY FIRE, INC.	160146	MAT REQ 769995/FIRE EXTINGUISHERS (6) 001-4204-4309	256.23



**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 9

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90896	12/27/2018	00113	SOUTH BAY FIRE, INC.	(Continued)	<b>Total : 256.23</b>
90897	12/27/2018	00159	SOUTHERN CALIFORNIA EDISON CO	2-29-332-0750	ELECTRICITY/DEC18
		00159		105-2601-4303	120.10
				<b>Total :</b>	<b>120.10</b>
90898	12/27/2018	18821	SPCALA	2018-1130 (PO 14433)	ANIMAL SERVICES/NOV18
		18821		001-3302-4201	400.00
				<b>Total :</b>	<b>400.00</b>
90899	12/27/2018	10412	STERICYCLE	3004477933	PO 14095/PD/MEDICAL WASTE DISPOSAL/DEC18
				001-2101-4201	85.00
				3004513928	PO 14095/PD/MEDICAL WASTE DISPOSAL/JAN19
				001-2101-4201	85.00
		10412		<b>Total :</b>	<b>170.00</b>
90900	12/27/2018	15040	TEAK WAREHOUSE INC	INV-17080 (PO 14605)	MEMORIAL BENCH FOR STANLEY HONDA
				001-6101-5402	827.00
				INV-17160 (PO 14768)	MEMORIAL BENCH FOR MICHAEL SHERLOCK
				001-6101-5402	827.00
		15040		<b>Total :</b>	<b>1,654.00</b>
90901	12/27/2018	21195	TIME ACCESS SYSTEMS, INC.	15140 (PO 14870)	PD/ELECTRONIC KEY MGMT SYS
		21195		001-2101-5402	5,343.50
				<b>Total :</b>	<b>5,343.50</b>
90902	12/27/2018	00123	TRIANGLE HARDWARE	27672 thry 27686	MAINTENANCE SUPPLIES/NOV18
				001-1101-4201	1,440.26
				105-2601-4309	467.21
				001-3104-4201	368.31
				001-3104-4309	1,241.62
				001-4204-4309	2,070.23
				001-6101-4309	409.16
				001-2021	99.89
				001-2022	-99.89
				715-4206-4309	63.95
		00123		<b>Total :</b>	<b>6,060.74</b>
90903	12/27/2018	20749	TUMBLEWEED TRANSPORTATION	0012013-IN/PO 14879	AFTERSCHOOL TRANSPORTATION/NOV18
				145-3411-4201	2,450.00

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 10

12/27/2018 5:48:07PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90903	12/27/2018	20749	TUMBLEWEED TRANSPORTATION	(Continued)	<b>Total : 2,450.00</b>
90904	12/27/2018	20670	TURBODATA SYSTEMS, INC.	29154 (PO 14431)	CITATION WRITER WIRELESS FEES/DEC18 001-3302-4201
		20670			1,250.00
					<b>Total : 1,250.00</b>
90905	12/27/2018	14007	ULINE	103762887 (PO 14958)	2 CARPET CHAIR MATS FOR DETECTIVES 001-2101-4305
		14007			100.92
					<b>Total : 100.92</b>
90906	12/27/2018	21181	VALLE, CATHERINE	PO 32788	DISMISSED CITATION NO. 34004860 001-3302
				PO 32789	DISMISSED CITATION NO. 34005011 001-3302
		21181			53.00
					53.00
					<b>Total : 106.00</b>
90907	12/27/2018	03209	VERIZON WIRELESS LA	9820101327	COMM DEV/CELL PHONES/NOV18 001-4201-4304
				9820426810	IN-FIELD FINGERPRINTING/DEC18 153-2106-4201
				9820426811	PD TRUNK MODEMS/DEC18 001-2101-4304
		03209			418.11
					<b>Total : 714.55</b>
181139531	12/20/2018	14691	ADMINSURE AS AGENT FOR THE	12/27/18 Check Run	WORK COMP CLAIMS REIMB/DEC18 705-1217-4324
		14691			5,363.71
					<b>Total : 5,363.71</b>
185909803	12/26/2018	14691	ADMINSURE AS AGENT FOR THE	12/27/18 Check Run	WORK COMP CLAIMS REIMB/DEC18 705-1217-4324
		14691			11,454.12
					<b>Total : 11,454.12</b>
550170783	12/24/2018	00170	SOCAL GAS	12/27/18 Check Run	NATURAL GAS/NOV18 001-4204-4303
		00170			40.47
					<b>Total : 40.47</b>
580252748	12/26/2018	00170	SOCAL GAS	12/27/18 Check Run	NATURAL GAS BILLS/NOV18 001-4204-4303
		00170			111.67
					<b>Total : 111.67</b>

12/27/2018 5:48:07PM

Check Register  
CITY OF HERMOSA BEACH

Page: 11

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
1813460201	12/20/2018	14691	ADMSINSURE AS AGENT FOR THE	12/27/18 Check Run	LIABILITY CLAIMS REIMB/NOV18
		14691		705-1209-4324	3,112.33
Total :					3,112.33
56 Vouchers for bank code : boa					Bank total : 643,572.22
56 Vouchers in this report					Total vouchers : 643,572.22

"I hereby certify that the demands or claims covered by the checks listed on pages 1 to 11 inclusive, of the check register for 12/27/18 are accurate funds are available for payment, and are in conformance to the budget."

Charlotte Newkirk for



By

Finance Director

Date 1/10/19

12/31/2018 11:11:03AM

Check Register  
CITY OF HERMOSA BEACH

Page: 1

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90908	12/31/2018	03353 SBCU VISA	PO 14877 CC	125 21ST ST/PHONE REQ/DEED RESTRICTION	
				001-4101-4305	13.75
			PO 14930 CC	ROLLINS/EDUCATION WEEK REGISTRATION	
				001-4201-4317	195.00
			PO 14955 CC	1 TEAM BUILDING BOOK	
				001-4101-4317	102.54
			PO 14956 CC	2 TEAMBUILDING BOOKS	
				001-4101-4317	191.88
			PO 14957 CC	2 BOOKS FOR TEAM BUILDING	
				001-4201-4317	122.44
		03353		Total :	625.61
1	Vouchers for bank code :	boa		Bank total :	625.61
1	Vouchers in this report			Total vouchers :	625.61

"I hereby certify that the demands or claims covered by the checks listed on pages 1 to 1 inclusive, of the check register for 12/31/18 are accurate funds are available for payment, and are in conformance to the budget."

Charlotte Newkirk for



By

Finance Director

Date 1/10/19

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 1

01/03/2019 5:26:34PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90909	1/3/2019	11437	ADMINISTRATIVE SERVICES CO OP	2619 (PO 14432)	TAXI VOUCHER PROGRAM/NOV18 145-3404-4201
		11437			5,125.15
				<b>Total :</b>	<b>5,125.15</b>
90910	1/3/2019	17271	BARROWS, PATRICK	PO 32760	INSTRUCTOR PAYMENT/CLASS NO. 7853 001-4601-4221
		17271			44.10
				<b>Total :</b>	<b>44.10</b>
90911	1/3/2019	12387	BARTEL ASSOCIATES LLC	18-1152 (PO 13559)	6/30/17 OPEB & 6/30/18 GASB 75/NOV18 001-1202-4201
		12387			4,280.00
				<b>Total :</b>	<b>4,280.00</b>
90912	1/3/2019	21187	CARPENTER, RYAN	PO 32804	REIMB/CALBO WEEK 1 AND 2 001-4201-4317
		21187			390.00
				<b>Total :</b>	<b>390.00</b>
90913	1/3/2019	09632	CDWG	QGP4793 (PO 14971)	PD CONFERENCE ROOM PC & DVD DRIVE 715-2101-5401
				QGP8925 (PO 14973)	HP ARUBA POE INJECTOR FOR RAPS PROJECT 715-2101-5405
		09632			889.80
				<b>Total :</b>	<b>1,026.68</b>
90914	1/3/2019	19484	CHAFIN, KIM	PO 32805	REIMB/TRAINING FOR PLANNERS/COASTAL LAW 001-4101-4317
		19484			375.00
				<b>Total :</b>	<b>375.00</b>
90915	1/3/2019	18570	CODE PUBLISHING INC	62106 (PO 14466)	MUNICIPAL CODE ELECTRONIC UPDATE/DEC18 001-1121-4201
		18570			397.50
				<b>Total :</b>	<b>397.50</b>
90916	1/3/2019	18178	COLLINS, CLAY	10350/Mat Req 773398	WINDSHIELD TINTING/BLUE TOYOTA VAN 715-2101-5403
				10353/Mat Req 773393	WINDOW TINTING/2010 FORD F150 TRUCK 715-2101-4311
		18178			44.85
				<b>Total :</b>	<b>114.56</b>
90917	1/3/2019	00879	COUNTY OF LOS ANGELES	RE-PW-18121002879	ARTESIA BLVD TRAFFIC SIGNAL MAINT/NOV18 001-3104-4251
					109.20

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 2

01/03/2019 5:26:34PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90917	1/3/2019	00879	COUNTY OF LOS ANGELES	(Continued)	<b>Total : 109.20</b>
90918	1/3/2019	19358	DOVE, GUY	TR 749	PER DIEM/ICI FINANCIAL CRIMES TRAINING
		19358		001-2101-4317	250.00
				<b>Total :</b>	<b>250.00</b>
90919	1/3/2019	17120	EAN SERVICES LLC	PO 32801	DISMISSED CITATION NO. 34005102
		17120		001-3302	48.00
				<b>Total :</b>	<b>48.00</b>
90920	1/3/2019	15555	GAS COMPANY, THE	Project ID 220399	YARD CNG STATION/NEW GAS METER
		15555		715-2101-4311	665.85
				<b>Total :</b>	<b>665.85</b>
90921	1/3/2019	11122	HDL SOFTWARE LLC	0013523-IN	QUARTERLY HOSTING SERVICES JAN19-MAR19
		11122		715-1206-4201	930.00
				<b>Total :</b>	<b>930.00</b>
90922	1/3/2019	17796	INSIGHT PUBLIC SECTOR INC	1100636787/PO 14972	NETWRX AUDITOR/SUPPORT/NOV18-OCT19
		17796		001-2101-4201	615.00
				<b>Total :</b>	<b>615.00</b>
90923	1/3/2019	12250	MONROY, AMADED	Mat Req 773391	REPAIR BENCH SEAT UPHOLSTERY
		12250		715-3302-4311	200.00
				<b>Total :</b>	<b>200.00</b>
90924	1/3/2019	11539	PROSUM TECHNOLOGY SERVICES	SIN018421 (PO 14224)	IT SUPPORT SERVICES/JAN19
				715-1206-4201	14,830.42
				SIN018571 (PO 13752)	SERVER MIGRATION PHASE 2 - 9/24-12/23/18
		11539		715-1206-4201	1,000.00
				<b>Total :</b>	<b>15,830.42</b>
90925	1/3/2019	03282	REDONDO BEACH, CITY OF	566703 (PO 14493)	CITY PROSECUTOR SERVICES/NOV18
		03282		001-1132-4201	16,667.00
				<b>Total :</b>	<b>16,667.00</b>
90926	1/3/2019	21153	RJ PRINTING & PROMOTIONAL	90 (PO 14885)	TAXI VOUCHER BOOKS
		21153		001-3302-4309	834.79
				<b>Total :</b>	<b>834.79</b>

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 3

01/03/2019 5:26:34PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90927	1/3/2019	00839	SAXE CLIFFORD PH D, SUSAN	18-1212-1 (PO 32783)	PRE-EMPLOYMENT EXAM/POLICE OFFICER/DEC18
		00839		001-2101-4201	450.00
				<b>Total :</b>	<b>450.00</b>
90928	1/3/2019	17903	SHERWIN-WILLIAMS	0375-5	MAT REQ 863153/PAINTING SUPPLIES
				001-4204-4309	96.60
			0390-4	MAT REQ 863200/PAINTING SUPPLIES	
				001-4204-4309	43.52
		17903		<b>Total :</b>	<b>140.12</b>
90929	1/3/2019	20539	SHOETERIA	0134963-IN	MAT REQ 873370/YARD STAFF BOOTS/DEC18
		20539		001-4202-4314	873.15
				<b>Total :</b>	<b>873.15</b>
90930	1/3/2019	00159	SOUTHERN CALIFORNIA EDISON CO	2-01-414-2152	ELECTRICITY/DEC18
				001-6101-4303	1,582.68
			2-01-414-3747	ELECTRICITY/DEC18	
				105-2601-4303	48.36
			2-01-414-4281	ELECTRICITY/DEC18	
				105-2601-4303	243.56
			2-01-414-5106	ELECTRICITY/DEC18	
				001-3104-4303	642.83
			2-39-985-7812	ELECTRICITY/DEC18	
				001-4204-4303	1,381.93
		00159		<b>Total :</b>	<b>3,899.36</b>
90931	1/3/2019	11908	SWRCB	SW-0159766	PO 14993/STORM DRAIN PERMIT OCT18-SEP19
				161-3109-4251	8,539.00
			WD-0140009	PO 14993/SEWER PERMIT JUL18-JUN19	
				160-3102-4251	2,286.00
		11908		<b>Total :</b>	<b>10,825.00</b>
90932	1/3/2019	21199	TL VETERANS CONSTRUCTION, INC.	222/Progress Pmt 1	COMM CTR INTERIOR & EXTERIOR PAINTING
		21199		001-8650-4201	61,275.00
				<b>Total :</b>	<b>61,275.00</b>
90933	1/3/2019	14528	UNION BANK OF CALIFORNIA, PARS #67460 PO 14263	PARS/OPEB CONTRIBUTIONS/JAN19	
				001-1101-4190	135.42
				001-1121-4190	600.50
				001-1201-4190	2,191.83

**Check Register**  
**CITY OF HERMOSA BEACH**

Page: 4

01/03/2019 5:26:34PM

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90933	1/3/2019	14528	UNION BANK OF CALIFORNIA, PARS #67460 (Continued)		
				001-1202-4190	2,199.83
				001-1203-4190	587.67
				001-1204-4190	2,140.67
				001-1208-4190	481.17
				001-2101-4190	37,186.33
				001-2203-4190	10,914.50
				001-3104-4190	1,851.75
				001-3301-4190	138.42
				001-3302-4190	6,759.08
				001-4101-4190	2,528.83
				001-4201-4190	2,556.25
				001-4202-4190	2,203.50
				001-4204-4190	1,457.50
				001-4601-4190	1,362.75
				001-6101-4190	1,915.50
				105-2601-4190	717.08
				160-3102-4190	302.17
				161-3109-4190	255.42
				715-4206-4190	1,130.83
		14528		<b>Total :</b>	<b>79,617.00</b>
90934	1/3/2019	18666	VERIZON BUSINESS SERVICES	71003145	VOIP PHONES/YARD/NOV18
				001-4202-4304	27.40
				71003196	COMM RES/VOIP PHONES/NOV18
				001-4601-4304	141.25
		18666		<b>Total :</b>	<b>168.65</b>
90935	1/3/2019	01206	ZUMAR INDUSTRIES INC	80990	MAT REQ 773563/STOP SIGNS (25)
				001-3104-4309	703.01
				80991	REQ 773562/NO OUTLET STREET SIGNS (15)
				001-3104-4309	817.28
				80994	MAT REQ 773564/SCHOOL STREET SIGNS (10)
				001-3104-4309	831.54
				81033/Mat Req 773578	15 PERFORATED TUBES FOR STREET SIGNS
				001-3104-4309	827.64
				81148/Mat Req 773570	25 NO PARKING STREET SIGNS
				001-3104-4309	851.87
				81149/Mat Req 773569	25 NO PARKING STREET SIGNS



01/03/2019 5:26:34PM

Check Register  
CITY OF HERMOSA BEACH

Page: 5

Bank code : boa

Voucher	Date	Vendor	Invoice	Description/Account	Amount
90935	1/3/2019	01206 ZUMAR INDUSTRIES INC	(Continued)		
				001-3104-4309	764.81
			81242/Mat Req 773572	15 STREET SIGNS W/PEDESTRIAN SYMBOL	
				001-3104-4309	777.59
		01206		<b>Total :</b>	<b>5,573.74</b>
<b>27 Vouchers for bank code : boa</b>					<b>Bank total : 210,770.12</b>
<b>27 Vouchers in this report</b>					<b>Total vouchers : 210,770.12</b>

"I hereby certify that the demands or claims covered by the checks listed on pages 1 to 5 inclusive, of the check register for 1/3/19 are accurate funds are available for payment, and are in conformance to the budget."

Charlotte Newkirk for



By

Finance Director

Date 1/10/19



## Staff Report

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### Staff Report

REPORT 19-0032

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019

**MEMORANDUM REGARDING  
REVENUE REPORT, EXPENDITURE REPORT,  
AND CIP REPORT BY PROJECT FOR DECEMBER 2018**  
(Finance Director Viki Copeland)

**Recommended Action:**

Staff recommends that the City Council receive and file the memorandum regarding the December 2018 Financial Reports.

**Summary:**

The December Revenue, Expenditure and CIP reports will be submitted with the Midyear Budget report in February.

**Respectfully Submitted by:** Charlotte Newkirk, Accounting Manager

**Approved:** Suja Lowenthal, City Manager



## Staff Report

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### Staff Report

REPORT 19-0056

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### **CITY TREASURER'S REPORT AND CASH BALANCE REPORT**

(City Treasurer Karen Nowicki)

#### **Recommended Action:**

City Treasurer recommends that the City Council receive and file the December 2018 City Treasurer's Report and Cash Balance Report.

#### **Summary:**

Investments in the report meet the requirements of the City of Hermosa Beach's adopted investment policy.

Attached is a report of all inactive Public Deposits for the month of December 2018. This is the most current available investment information.

#### **Attachments:**

1. City Treasurer's Report
2. Cash Balance Report

**Respectfully Submitted by:** Karen Nowicki, City Treasurer

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Approved:** Suja Lowenthal, City Manager

**TREASURER'S REPORT  
DECEMBER 2018**

**INSTITUTIONS**

INVESTMENT TYPE/INSTITUTION	CUSIP #	BOOK VALUE	DATE OF INVESTMENT	DATE OF MATURITY	ORIGINAL COST	MARKET VALUE	COST/MARKET DIFFERENCE	FACE/PAR VALUE	RATE OF INTEREST	YELD TO MATURITY
<b>POOLED INVESTMENTS</b>										
LAIF (Local Agency Investment Fund)		\$ 44,487.32						\$44,487.32	2.291%	
LACPIF (Los Angeles County Pooled Investment Funds)		\$ 26,132,014.78						\$26,132,014.78	2.060%	Rate for November *
<b>Pooled Investments % of Total Investment</b>	<b>75.244%</b>	<b>\$26,176,502.10</b>								

**AGENCIES**

Federal Home Loan Mortgage	3137EADK2	\$498,677.12	8/1/2014	8/1/2019	\$500,000.00	\$495,840.00	(\$4,160.00)	\$500,000.00	1.260%	1.260%
<b>Agencies % of Total Investment</b>	<b>1.433%</b>	<b>\$498,677.12</b>								

**NEGOTIABLE CDS**

Sallie Mae Bank	795450UB9	\$248,000.00	10/22/2014	10/22/2019	\$248,000.00	\$246,414.23	(\$1,585.77)	\$248,000.00	2.160%	2.160%
American Express Bank	02587CCC2	\$247,000.00	10/23/2014	10/23/2019	\$247,000.00	\$245,514.92	(\$1,485.08)	\$247,000.00	2.210%	2.210%
Peoples UTD Bank	71270QLM6	\$247,000.00	01/21/2015	01/21/2020	\$247,000.00	\$244,007.51	(\$2,992.49)	\$247,000.00	1.870%	1.870%
Private Bank and Trust	74267GUU9	\$248,000.00	01/23/2015	01/23/2020	\$248,000.00	\$245,110.19	(\$2,889.81)	\$248,000.00	1.920%	1.920%
Capital One Bank	140420SH4	\$248,000.00	06/17/2015	06/17/2020	\$248,000.00	\$245,446.95	(\$2,553.05)	\$248,000.00	2.170%	2.170%
Discover Bank	254672QE1	\$248,000.00	06/17/2015	06/17/2020	\$248,000.00	\$245,268.17	(\$2,731.83)	\$248,000.00	2.120%	2.120%
Capital One Nat'l Assn	14042E5U08	\$246,000.00	08/19/2015	08/19/2020	\$246,000.00	\$244,383.59	(\$1,616.41)	\$246,000.00	2.420%	2.420%
Everbank Jacksonville	29976DA59	\$245,000.00	08/28/2015	08/28/2020	\$245,000.00	\$241,966.20	(\$3,033.80)	\$245,000.00	2.080%	2.080%
American Express Centurion	02587DF86	\$247,000.00	11/04/2015	11/04/2020	\$247,000.00	\$244,886.12	(\$2,113.88)	\$247,000.00	2.270%	2.270%
Synchrony Bank	87164YKW3	\$247,000.00	11/20/2015	11/20/2020	\$247,000.00	\$244,610.10	(\$2,389.90)	\$247,000.00	2.220%	2.220%
Comenity Capital Bank	20033ANX0	\$249,000.00	01/19/2016	01/19/2021	\$249,000.00	\$245,153.68	(\$3,846.32)	\$249,000.00	1.930%	1.930%
EnerBank USA	29266NX51	\$247,000.00	01/28/2016	01/28/2021	\$247,000.00	\$243,156.28	(\$3,843.72)	\$247,000.00	1.930%	1.930%
World Foremost Bank Sydney	981571CQ3	\$200,000.00	06/09/2016	06/09/2021	\$200,000.00	\$195,533.55	(\$4,466.45)	\$200,000.00	1.740%	1.740%
Wells Fargo Bank NA Siouxfall	9497485W3	\$249,000.00	06/17/2016	06/17/2021	\$249,000.00	\$243,691.50	(\$5,308.50)	\$249,000.00	1.790%	1.790%
First Bank of Puerto Rico	33767AZY09	\$248,000.00	08/26/2016	08/26/2021	\$248,000.00	\$240,460.48	(\$7,539.52)	\$248,000.00	1.500%	1.500%
Beneficial Mutual Savings	08173QBR6	\$248,000.00	09/12/2016	09/12/2021	\$248,000.00	\$240,722.72	(\$7,277.28)	\$248,000.00	1.550%	1.550%
Countryside Federal Credit Union	22239MAL2	\$249,000.00	10/18/2016	10/18/2021	\$249,000.00	\$242,411.29	(\$6,588.71)	\$249,000.00	1.690%	1.690%
Venture Bank	92326XDE8	\$249,000.00	12/02/2016	09/02/2021	\$249,000.00	\$241,741.31	(\$7,258.69)	\$249,000.00	1.550%	1.550%
Stearns Bank NA	857894SK6	\$242,000.00	01/13/2017	01/13/2022	\$242,000.00	\$238,127.45	(\$3,872.55)	\$242,000.00	2.080%	2.080%
East Boston Savings Bank	27113PBM2	\$248,000.00	01/20/2017	01/20/2022	\$248,000.00	\$243,657.72	(\$4,342.28)	\$248,000.00	2.040%	2.040%
Goldman Sachs Bank	38148PKT3	\$246,000.00	06/14/2017	06/14/2022	\$246,000.00	\$244,089.00	(\$1,911.00)	\$246,000.00	2.370%	2.370%
Barclays Bank	06740KKD8	\$246,407.20	07/22/2017	07/12/2022	\$247,000.00	\$243,798.98	(\$3,201.02)	\$247,000.00	2.230%	2.230%
Marlin Business Bank	57116APQ5	\$249,000.00	08/22/2017	08/23/2022	\$249,000.00	\$244,350.88	(\$4,649.12)	\$249,000.00	2.090%	2.090%
Merrick Bank South Jordan	59013JC49	\$249,000.00	10/19/2017	10/20/2022	\$249,000.00	\$244,651.12	(\$4,348.88)	\$249,000.00	2.140%	2.140%
Northfield Bank	66612ABX5	\$247,000.00	10/24/2017	10/25/2022	\$247,000.00	\$243,137.30	(\$3,862.70)	\$247,000.00	2.180%	2.180%
Morgan Stanley Bank	61747MH95	\$249,000.00	02/01/2018	02/01/2023	\$249,000.00	\$246,743.97	(\$2,256.03)	\$249,000.00	2.640%	2.640%
Allegiance Bank	01748DBA3	\$246,000.00	02/07/2018	02/07/2023	\$246,000.00	\$249,274.80	\$3,274.80	\$246,000.00	2.600%	2.600%
CitiBank NA	17312QN39	\$245,000.00	06/15/2018	06/15/2023	\$245,000.00	\$252,029.80	\$7,029.80	\$245,000.00	3.160%	3.230%
BMW Bank North America	05580AMX9	\$245,000.00	06/15/2018	06/15/2023	\$245,000.00	\$252,029.80	\$7,029.80	\$245,000.00	3.160%	3.160%
Industrial & Commercial Bank of China	45581EAX9	\$249,000.00	08/17/2018	06/30/2023	\$249,000.00	\$256,782.61	\$7,782.61	\$249,000.00	3.200%	3.200%
Bank Midwest Spirit Lake	063615BM9	\$244,418.78	09/17/2018	09/15/2023	\$245,000.00	\$250,744.38	\$5,744.38	\$245,000.00	3.030%	3.030%
UBS Bank	90348JEJ5	\$249,000.00	10/17/2018	10/17/2023	\$249,000.00	\$257,824.32	\$8,824.32	\$249,000.00	3.240%	3.240%
Spring Bank	849430AY9	\$249,000.00	10/24/2018	10/24/2023	\$249,000.00	\$256,716.07	\$7,716.07	\$249,000.00	3.150%	3.150%

**Negotiable CD % of Total Investment**      **23.323%**      **\$8,113,825.98**

**TOTAL ALL INVESTMENTS**      **\$ 34,789,005.20**      **\$8,615,000.00**      **\$8,560,276.99**      **(\$54,723.01)**      **\$34,791,502.10**

Average Rate of Interest      **2.223%**  
Average Yield to Maturity      **2.228%**

In compliance with the California Code Section 53646, the Treasurer of the City of Hermosa Beach hereby certifies that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months. Investments in the report meet the requirements of the City of Hermosa Beach's adopted investment policy.

\*December rate publishes the first week of February.

APPROVED: KAREN NOWICKI, CITY TREASURER

**CASH BALANCE REPORT  
DECEMBER 2018**

FUND NUMBER	FUND NAME	GENERAL ACCOUNT					12/31/2018 BALANCE
		11/30/2018 BALANCE	CASH	ADJUSTMENTS	CHECKS	ADJUSTMENTS	
001	GENERAL	\$3,832,612.38	\$7,238,387.94	(\$1,487,429.58)	(\$961,198.72)	(\$178,840.53)	\$8,443,531.49
105	LIGHTING/LANDSCAPING	(\$90,348.13)	\$181,797.06	(\$13,432.25)	(\$40,066.53)	(1,080.48)	\$36,869.67
115	STATE GAS TAX	\$211,920.87	\$28,919.29	(\$40,416.77)	(\$15,722.32)		\$184,701.07
117	AB939	\$61,808.79		(\$735.86)		(108.49)	\$60,964.44
121	PROP A OPEN SPACE	(\$8,565.00)	\$20,557.00	(\$1,713.00)			\$10,279.00
122	TYCO	\$1,064,711.25		(\$68,385.63)	(162,668.00)		\$833,657.62
125	PARK REC FAC TAX	\$308,854.11		\$653.92	(1,578.77)		\$307,929.26
135	BAYVIEW DRIVE DISTRICT ADMIN EXPENSE	\$1,005.08	\$4,433.36	(\$180.83)			\$5,257.61
136	LOWER PIER ADMIN EXPENSE	(\$935.00)		(\$187.00)			(\$1,122.00)
137	MYRTLE DISTRICT ADMIN EXPENSE	\$2,840.71	(\$81.98)	(\$434.06)			\$2,324.67
138	LOMA DISTRICT ADMIN EXPENSE	\$12,087.80	(\$91.34)	(\$451.48)			\$11,544.98
139	BEACH DRIVE ASSESSMENT DISTRICT ADMIN EXPENSE	\$1,567.85	\$3,441.16	(\$147.68)			\$4,861.33
140	COMMUNITY DEVELOPMENT BLOCK GRANT	\$0.00					\$0.00
145	PROPOSITION A	\$1,503,752.66	\$34,497.85	\$3,248.58	(\$11,757.40)		\$1,529,741.69
146	PROPOSITION C	\$1,175,283.35	\$28,342.46	\$2,561.48			\$1,206,187.29
147	MEASURE R	\$1,029,414.89	\$21,340.89	\$2,016.20	(\$103,353.83)		\$949,418.15
148	MEASURE M	\$326,824.54	\$23,824.85	\$746.23			\$351,395.62
150	GRANTS	\$972,958.39			(\$191.20)		\$972,767.19
152	AIR QUALITY MANAGEMENT DISTRICT	\$4,441.33	\$6,380.08	(\$348.31)		(18.64)	\$10,454.46
153	SUPPLEMENTAL LAW ENFORCEMENT SERVICES	\$241,457.76	\$26,799.86	\$570.53	(\$169.64)		\$268,658.51
160	SEWER MAINTENANCE	\$5,864,982.64	\$417,769.10	(\$4,680.41)	(\$38,940.40)	(806.32)	\$6,238,324.61
161	STORM DRAIN FUND	\$1,032,745.51		\$41,806.56	(\$5,544.42)	(824.40)	\$1,068,183.25
170	ASSET SEIZURE/FORFEITURE	\$531,572.19		\$1,131.26			\$532,703.45
180	FIRE PROTECTION	\$66,378.47	\$1,345.61	\$137.09	(\$3,306.56)		\$64,554.61
190	RTI UNDERSEA CABLE	\$333,458.63		\$709.65			\$334,168.28
191	RTI UNDERSEA CABLE TIDELANDS	\$242,515.31		\$516.11			\$243,031.42
201	2015 LEASE REVENUE BONDS	\$0.00					\$0.00
301	CAPITAL IMPROVEMENT	\$7,291,458.13		\$15,486.46	(\$14,442.31)		\$7,292,502.28
609	BAYVIEW DRIVE REDEMPTION	\$85,027.45	\$16,743.97	\$216.54			\$101,987.96
610	LOWER PIER DISTRICT REDEMPTION	\$2,986.24		\$6.36			\$2,992.60
611	BEACH DRIVE ASSESSMENT DISTRICT REDEMPTION	\$42,144.56	\$7,733.57	\$106.15			\$49,984.28
612	BEACH DRIVE ASSESSMENT DISTRICT RESERVE	\$4,386.31		\$9.34			\$4,395.65
617	MYRTLE AVE ASSESSMENT	\$35,792.13	\$3,769.44	\$84.19			\$39,645.76
618	LOMA DRIVE ASSESSMENT	\$72,283.40	\$4,823.04	\$164.09			\$77,270.53
619	BAYVIEW DRIVE DISTRICT RESERVE	\$14,402.41		\$30.65			\$14,433.06
705	INSURANCE	\$6,499,697.98		\$174,615.91	(38,627.95)	(1,015.17)	\$6,634,670.77
715	EQUIPMENT REPLACEMENT	\$5,282,262.45	\$9,366.22	\$95,532.23	(\$191,501.34)	(\$1,926.59)	\$5,193,732.97
	TOTAL GENERAL ACCOUNT	\$38,053,787.44	\$8,080,099.43	(\$1,278,193.33)	(\$1,589,069.39)	(\$184,620.62)	\$43,082,003.53

TRUST ACCOUNTS	BALANCE 11/30/2018	DEPOSITS	CHARGES	BALANCE 12/31/2018
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PAYROLL	\$50,982.20	\$1,404,874.05	(\$1,388,970.12)	\$66,886.13
CABLE TV DEPOSIT	\$16,603.81			\$16,603.81
	\$67,586.01	\$1,404,874.05	(\$1,388,970.12)	\$83,489.94

TOTAL ALL ACCOUNTS \$43,165,493.47

INVESTMENTS  
\$34,789,005.20

INTEREST COLLECTED  
TO DATE FOR FY 18/19  
\$309,801.12

<b>BANK BALANCES</b>	
GENERAL	\$8,572,179.74
TRUST ACCOUNTS	\$146,851.15
	\$8,719,030.89
OUTSTANDING CHECKS	(\$342,542.62)
	\$8,376,488.27
INVESTMENTS	\$34,789,005.20
BALANCE	\$43,165,493.47

APPROVED : KAREN NOWICKI, CITY TREASURER



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

REPORT 19-0039

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### **CANCELLATION OF CERTAIN CHECKS** (City Treasurer Karen Nowicki)

#### **Recommended Action:**

City Treasurer recommends that the City Council approve cancellation of certain checks.

#### **Summary:**

Please ratify the following request for cancellation of the check(s) listed below:

#90339 - 10/18/18 - \$143.91 - David N. Holden  
Vendor misplaced check.

#90523 - 11/08/18 - \$53.00 - Andrew Murphy  
Vendor did not receive check.

#90645 - 11/21/18 - \$150.00 - Kelly Orta  
Check issued to incorrect vendor.

#90729 - 12/09/18 - \$1,549.27 - Automated Filing System Inc.  
Vendor name changed.

**Respectfully Submitted by:** Karen Nowicki, City Treasurer

**Noted for Fiscal Impact:** Charlotte Newkirk, Accounting Manager

**Approved:** Suja Lowenthal, City Manager



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

REPORT 19-0041

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### **ACCEPTANCE OF DONATIONS** (Finance Director Viki Copeland)

#### **Recommended Action:**

Staff recommends that the City Council accept the donations received by the City to be used for La La Land Day as noted.

<b><u>DATE</u></b>	<b><u>DONOR</u></b>	<b><u>AMOUNT</u></b>	<b><u>PURPOSE</u></b>
December 5, 2018	KINECTA	\$20,000	La La Land Day 2018

**Respectfully Submitted by:** Charlotte Newkirk, Accounting Manager

**Approved:** Suja Lowenthal, City Manager



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

REPORT 19-0046

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### **PROJECT STATUS REPORT AS OF DECEMBER 31, 2018**

(Public Works Director Glen W.C. Kau)

#### **Recommended Action:**

Staff recommends that the City Council receive and file the Project Status Report as of December 31, 2018.

#### **Attachments:**

Project Status Report as of December 31, 2018

**Respectfully Submitted by:** Glen W.C. Kau, P.E., Public Works Director

**Approved:** Suja Lowenthal, City Manager



CIP No.	PROJECT NAME	Project Budget	PM	Start Date	Finish Date (est)	Status
<b>Note:</b>	<b>Blue Shaded Areas Indicate Updates</b>					
	<b>STREET &amp; HIGHWAY IMPROVEMENTS</b>					
12-143	PCH Mobility Improvement Project (Previously named "PCH/Aviation Mobility Improvements"). This project will improve the Pacific Coast Highway corridor mobility's (vehicular movement) aspect for efficiency. Improvements include elements of a "Complete Street" which include coastal sensitive drought-tolerant landscaped raised center medians to increase driver safety; enhanced safety pedestrian crosswalk features; new street furniture & bus shelters where applicable incorporating transit kiosks; ADA accessibility. These improvements will be coordinated as part of the Caltrans CAPM \$60M pavement resurfacing project scheduled to start in 2022.	\$ 598,840	gk			Prop A & C funds transferred to CIP 16-174 Annual Street Improvements for Hermosa Avenue resurface. Staff has reviewed and coordinated to request funds for the installation of new, landscaped center medians between along PCH between Artesia Blvd and Pier Ave. The center medians will provide for safer turning movements in order to reduce/eliminate left turn conflicts along the segment of PCH. Increasing the safety aspects reduces the potential for accidents and minimizes delays incurred on PCH. A request was submitted to SBCCOG/Metro for review/approval & funding. If approved, funding would be available in FY19-20.
	Project fund request submitted to SBCCOG			10/24/18	01/14/2019	
12-160	PCH Traffic Improvements. The work scope for this project will install pedestrian signal, crosswalks and ADA curb ramps improvements at the intersections of PCH and Pier Avenue and PCH and Aviation Boulevard including California Truck Turn improvements at this intersection.	\$ 574,737	rs			Caltrans is reviewing project materials, information & shop drawings. Addt'l funding (\$76,734) requested from Metro was approved 10-25-18. Shop drawings were submitted to Caltrans material lab for review/approval prior to construction start. Construction start pending completion of Caltrans review.
	Design Phase (estimated completion date)			06/16/14	10/26/17	
	Permit Phase - Caltrans			10/26/17	12/05/17	
	Bid Phase			12/05/17	03/26/18	
	Additional funding requested (\$76,734) from Metro was approved.			09/18/18	10/25/18	
	Construction Phase (est)			01/22/19	04/02/19	
15-162	Green Alley and Beach Quality Improvement Project (Previously named "Beach Drive Green Alley")	\$ 187,500	km			This project is scheduled for further review in mid 2019 to further develop and redefine the work scope.
14-168	Bike Friendly Street Improvements (Previously named "Valley Drive Sharrows", "Bike Friendly Routes on 22nd St./Monterey Blvd. & Longfellow Ave.)	\$ 20,000	fm			Review of proposed bike facilities for 27th Street, Ardmore Avenue, Valley Drive, and Pier Avenue consistent with Bicycle Master Plan and General Plan is underway.
14-173	8th Street SR2S Improvements. The project improvements will include for creating a 48" wide sidewalk, contiguous walking path, upgraded access ramps, and peripheral upgrades between Hermosa Avenue & Valley Drive.	\$ 1,065,206	rs			Staff review of 100% plans in progress; staff is working on comments for consultant to update. Project walk through for interested residents was completed on 12-19-18 successfully. Letters for project walk through and for private properties that require on-site transition work to accommodate walk path improvements have been sent out. Future coordination may be required.
	Preliminary Engineering/Design Alternatives			12/01/14	09/04/15	
	Design Phase (60%)			11/17/15	07/28/16	
	Council Update			11/10/16	11/10/16	
	Council Update			10/10/17	10/10/17	
	Council Update			01/13/18	01/13/18	
	Final Design Plans - in progress			04/15/18	01/17/18	
	Council Update			11/13/18	11/13/18	
	Solicit construction bids - (est)			02/01/19	02/28/19	
	Bid and Award - (est)			03/01/19	03/31/19	
	Construction Phase and Approval - (est)			04/15/19	07/31/19	
16-174	Annual Street Improvements - Various Locations. This project includes for annual slurry seal of City streets to maintain the pavement condition. The selected streets will be as recommended by on the current Pavement Management Plan.	\$ 948,459	gk/lr			Hermosa Avenue Paving January 14th through Early February. Color Concrete on The Strand From January 14th through February. Duratherm Crosswalks portion of project is out to bid - bid opening day January 16th.
	Design phase - complete			03/01/18	05/14/18	
	Construction phase - in progress			09/17/18	02/15/19	

CIP No.	PROJECT NAME	Project Budget	PM	Start Date	Finish Date (est)	Status
<b>Note:</b>	<b>Blue Shaded Areas Indicate Updates</b>					
17-186	Annual Street Improvements - Various Locations. This project includes for annual slurry seal of City streets to maintain the pavement condition. The selected streets will be as recommended by on the current Pavement Management Plan.	\$ 1,340,000	lr			Design services to be solicited for via on-call consultants in mid-January 2019 (est). The identified streets will be the streets that have sewer improvements that are currently under design and will be under construction in FY 19-20.
	Design - solicit for design services via on-call (est early 2019)			01/15/2019	TBD	
	Design phase - (est Spring 2019)			TBD		
	Construction phase - (est FY 19-20)			TBD		
17-187	Stamped Concrete Replacement on the Strand	\$ 140,000	gk/lr			This project is combined with CIP# 16-174 Street Improvements - Hermosa Ave resurfacing.
17-188	Strand Bikeway and Walkway Improvements at 35th Street	\$ 115,000	gk			Preparing RFP to acquire design services. Estimate RFP solicitation late January 2019/mid-February 2019.
	Prepare RFP to acquire design services.			11/13/18	12/17/18	
16-184	Pacific Coast Highway Sidewalk Improvements. This project proposes sidewalk improvements along PCH as needed to mitigate possible trip hazards. The project will involve concrete grinding and repair and replacement of sidewalk sections at various locations identified by the City Consultant and approved by Caltrans. The costs are to be reimbursed by Caltrans.	\$ 98,152	rs			Caltrans approved additional funding request. Caltrans reviewing material submittals and shop drawings. Construction start pending Caltrans review. CIP 16-184 and CIP 16-185 are combined into one project. <b>NOTE:</b> This project was re-appropriated due to unanticipated time length of Caltrans review and has caused delay of estimated construction time, which was estimated to complete in FY17-18.
	Design - complete			12/08/16	12/04/17	
	Bid - complete			02/01/18	03/15/18	
	Award - complete			07/24/18	07/24/18	
	Construction - pending Caltrans review			01/22/19	04/02/19	
16-185	ADA Improvements on PCH between 2nd Street and 21st Street. This project proposes ADA Curb Ramps improvements along PCH to comply with ADA requirements. The project will involve construction and reconstruction of ADA curb ramps at various intersections. The funding for this project is provided by Caltrans.	\$ 286,756	rs			Caltrans approved additional funding request. Caltrans reviewing material submittals and shop drawings. Construction start pending Caltrans review. CIP 16-184 and CIP 16-185 are combined into one project. <b>NOTE:</b> This project was re-appropriated due to unanticipated time length of Caltrans review and has caused delay of estimated construction time, which was estimated to complete in FY17-18.
	Design - complete			12/08/16	12/04/17	
	Bid - complete			02/01/18	03/15/18	
	Award - complete			07/24/18	07/24/18	
	Construction - pending Caltrans review			01/22/19	04/02/19	
	<b>STREET &amp; HIGHWAY IMPROVEMENTS TOTAL:</b>	<b>\$ 5,374,650</b>				
	<b>SEWER/STORM DRAIN IMPROVEMENTS</b>					
17-416	Annual Sewer Improvements - Various Locations. This project includes design and construction of sewer improvements and repairs based on new Sewer Master Plan. Design will include improvements for multiple fiscal years.	\$ 1,260,000	lr			Phase 1 complete and constructed. Phase 2 within residential areas in review at 90%. Bidding estimated for March 2019. Locations as per 2017 Sanitary Sewer Master Plan.
	Design - 90% complete			04/02/2018	11/05/2018	
17-417	Annual Storm Drain Improvements - Various Locations	\$ 645,090				Reviewing Storm Drain Master Plan data to identify priority projects and prepare designs for construction. (In progress)
	<b>SEWER/STORM DRAIN IMPROVEMENTS TOTAL:</b>	<b>\$ 1,905,090</b>				

CIP No.	PROJECT NAME	Project Budget	PM	Start Date	Finish Date (est)	Status
<b>Note:</b>	<b>Blue Shaded Areas Indicate Updates</b>					
	<b>PARK IMPROVEMENTS</b>					
13-538	Citywide Park Master Plan	\$ 219,750	ls/ko			RFP currently on hold to allow for coordination with LA County Parks Measure A funding and allocation plan criteria.
16-542	Stormwater/Urban Run-Off Diversion Project on Greenbelt. This is a joint project between the Beach Cities Watershed Management Group member agencies. Hermosa Beach's portion of the matching funds is 10%, based on the contributing tributary to the project.	\$ 4,218,763	km			Exploring alternative locations. Council subcommittee formed with Redondo Beach to discuss potential project locations within Redondo Beach jurisdiction.
	Funding Phase			04/18/16	12/31/17	
	Design			10/01/17	TBD	
	Construction			TBD	TBD	
17-544	Feasibility, Greenbelt Path. The work scope is to review for ADA accessibility onto the Greenbelt.	\$ 10,000				This project has not yet been initiated. Initial information will be provided later as it becomes available.
17-545	Clark Stadium Bleachers. This project will upgrade ADA access into the field seating.	\$ 30,000				Requires field review to determine what upgrades are needed.
	<b>PARK IMPROVEMENTS TOTAL:</b>	<b>\$ 4,478,513</b>				
	<b>PUBLIC BUILDING &amp; GROUND IMPROVEMENTS</b>					
12-609	Downtown Strategic Plan Implementation. This project (Phase 1) will provide for improved lighting, safety and cleanliness at Parking Lots A & B, Beach Drive between 11th and 13th Streets and Pier Plaza.	\$ 673,000	gk/fm			PW staff to present to Council in February/March 2019 the recommended styles for Pier Plaza lighting and poles as part of the Downtown security & aesthetics lighting strategy. Following Council direction, staff will prioritize the installation of the safety/security lighting. Finalizing authorization for Beach Dr between 12th & 13th for wall pack lighting installation. Finalizing additional lighting for Lot B. Reviewing conceptual layout for Lot A to address the compactor area issues, accessibility, vehicle circulation/parking, enhanced safety with lighting improvements. CIP# 15-675 Pier Plaza Light post replacement is included as part of this project.
14-614	Police Facilities Improvements	\$ 45,404	ef			Install police lock system improvements in progress (complete). Coordinating with PD for systematic rollout of new system. Renovate kitchen & booking area (90%). Painting & flooring (80%).
15-615	New Corporate Yard Facility - (Note: \$2,156,000 has been reserved for construction and contingency in the Capital Improvement Fund for this project.)	\$ 211,715	ef/km			Kick-off mtg in 06-2018. Reviewing HHR complete and implementing remediation plan into project design documents. LA County Environmental Health will be oversight agency for remediation. Staff & consultant did site review towards design efforts. Consultant finalizing administration design. LA County reviewing project for soil disturbance remediation efforts.
	Review existing plans of City Yard			10/15/15	07/20/16	
	Contract Award - Mitigation Report			06/22/16	04/12/17	
	Mitigation Report Preparation			05/01/17	10/30/17	
	RFP for Design			08/01/17	10/30/17	
	Design consultant proposal review and selection			10/31/17	12/15/17	
	HHR review completed.			06/15/18	TBD	
16-629	Municipal Pier Structural Assessment and Repairs. This project will preparation of a pier structural assessment report to develop a multi-year program for repairs of structural supporting elements of the municipal pier.	\$ 415,000	fm			Plans and specs 95% complete. Specs being modified for construction mitigation measures. Reviewing for preparation of application for Coastal Commission permit to be combined effort with CIP 15-650 Pier Electrical Repairs project.
	Contracting of pervious Consultant to Conduct Pier Assessment			02/01/17	03/01/17	
	Preparation of RFP			03/01/17	05/18/17	
	Advertise RFP Assessment, Design, and Construction Support			05/18/17	06/15/17	
	Award RFP			06/15/17	08/22/17	
	Pier Assessment/Inspection			09/25/17	10/30/17	
	Design			10/20/17	11/26/18	
	Coastal Commission Application preparation			11/26/18	01/17/19	
	Construction			TBD	TBD	

CIP No.	PROJECT NAME	Project Budget	PM	Start Date	Finish Date (est)	Status
<b>Note:</b>	<b>Blue Shaded Areas Indicate Updates</b>					
15-650	Community Center General Improvements - Phase III. Description: On-going improvements to the Community Center including, repainting windows, doors and interior & exterior surface of the building.	\$ 418,031	ef			Exterior walls have been repaired/prepped for painting. Painting has started and 60% complete. Weather has caused delays to painting activity.
	Preliminary Phase			12/01/16	08/30/17	
	Public Works Commission			05/17/17	05/17/17	
	Bid Phase -Design			01/02/18	01/31/18	
	Contract award			09/25/18	09/25/18	
	Construction Phase			11/13/18	02/27/19	
15-660	Municipal Pier Electrical Repairs. The pier electrical repairs will involve the replacement of existing conduit, junction boxes, connections and wiring so that the lights can be functional. The project will also eliminate the service box towards the end of the pier and create a new service connection point for the foghorn at the end of the pier.	\$ 541,202	fm			Design complete. Design review 100% complete. Specs being modified for construction mitigation measures. Reviewing for preparation of application for Coastal Commission permit to be combined effort with CIP 16-629 Pier Structural Assessment project.
	RFP Phase			03/17/17	06/30/17	
	Consultant selection			06/30/17	08/21/17	
	Design - 100% draft complete			09/28/17	10/01/18	
	Coastal Commission Application preparation			TBD	TBD	
	Construction			TBD	TBD	
15-669	City Park Restroom Renovations (Previously named 'Fort Lots-O-Fun and Seaview Parkette Restrooms'; combined with 'South Park Restroom Renovations', and 'Clark Field Restroom Improvements')	\$ 1,081,122	ef/km			Designs complete and construction documents reviewed. Construction bid documents being prepared. Coastal Develop Permit Waivers for South Park and Clark Field approved by the Coastal Commission.
15-670	Installation of Grates in Tree Wells on Pier Plaza. This Project will install iron tree grates in existing tree wells on Pier Plaza and Loreto Plaza.	\$ 131,748	ef/km			Tree grates for Hermosa Avenue between 10th and 14th Street currently being fabricated and are expected to be installed in Q1 2019
15-672	Council Chamber Improvements. Replacement of audio/visual equipment in the Council Chambers. Project will replace audio visual equipment in the Council Chambers. Additional enhancements may be considered that would increase the scope and budget of the project by as much as \$45,000 depending on the equipment selected.	\$ 305,024	ef/lr			Design completed. Need to review specs for current tech upgrades available. Project documents under review to prepare and finalize Bid Package for advertising. Solicit project bids for supply and installation estimate February 2019.
	Design - complete			04/25/17	09/30/17	
	Bid specs review			11/13/18	01/07/19	
	Solicit for bids			TBD	TBD	
	Construction			TBD	TBD	
15-675	Pier Plaza Lamp Post Replacement	\$ 71,922				This project to be combined as part of CIP 12-609 Downtown Strategic Plan Implementation.
16-682	Lot D Electrical Vehicle and Bicycle Transportation Infrastructure Expansion	\$ 401,000	km/rs			90% project documents to be presented to Pub Works Comm in early 2019. 90 % design plans to be presented to City Council.
17-684	Emergency Operations Center Renovations	\$ 193,500				
17-687	ADA Improvements at Various Locations. Improvements and relocation of sidewalks, curb ramps and obstructions in highly traversed areas within the City in order to follow the Americans with Disabilities Act (ADA) and meet the latest Federal Standards.	\$ 150,000	fm			Staff has revised project docs. In discussions with Community Development Commission of LA County (LACDC), staff requested to combine this project with CIP 18-692 ADA Improvement at Various Locations to create a more competitive bid package. LACDC approved the project combination and requested that Labor Compliance services be acquired for the project. Solicited & received RFP for labor compliance services; under review. Estimate to solicit for construction bids mid February 2019. Locations are:6th St @ Prospect Ave, NW, SW; 5th St @ Prospect Ave, NW, NE,SW; 4th St @ Prospect Ave., NW, SW; Gentry Ave @ Prospect Ave, NW, SW; Hollowell Ave. @ Prospect Ave., NW, NE, Southwest. (If project budget allows)
	Design - in house, complete			12/15/2017	03/20/2018	
	Solicit construction bids - complete			05/01/2018	06/15/2018	
	Rejected bids - single bid received			08/26/2018	08/26/2018	
	RFP for Labor Compliance services			09/15/2018	02/12/2019	
	Solicit construction bids			01/17/2019	02/14/2019	



CIP No.	PROJECT NAME	Project Budget	PM	Start Date	Finish Date (est)	Status
<b>Note:</b>	<b>Blue Shaded Areas Indicate Updates</b>					
17-689	Clark Building Renovations. Remodel of kitchen and Restrooms at Clark Building. The project proposes: 1. Design, Operational Review 2. Kitchen Remodel - including new commercial appliances, sinks, countertops, lighting, tile, flooring, doors and ADA upgrades. 3. Restrooms Remodel - including new flooring, fixtures, stalls, sinks, toilets, lighting, and ADA upgrades. Electrical, plumbing, sewer line upgrades. 4. Install new HVAC. 5. Acoustic panels and new lighting throughout ballroom area. 6. ADA upgrades to entrance building entrance points.	\$ 423,554	gk/ef			Equipment layout/schedule was presented to Pub Works Comm in November 2018. Received their recommendation to present to Council. Public Works Field staff have upgraded the plumbing, building electrical (80%), installed & relocated a new water heater, coordinating for installation of new area drains. Area grain works and new sewer lateral work in progress. Project requires upgraded electrical supply for building; staff discussing details with SCE (on-going).
	RFP- Architectural Programming and Schematic Design			09/14/17	11/30/17	
	Architectural Programming and Schematic Design			12/14/17	01/15/18	
	Design - 95%			07/15/2018	02/01/2019	
	Construction			TBD	TBD	
18-691	ADA Improvements at Various Locations. Improvements and relocation of sidewalks, curb ramps and obstructions in highly traversed areas within the City in order to follow the Americans with Disabilities Act (ADA) and meet the latest Federal Standards.	\$ 120,000	fm			Staff has revised project docs. In discussions with Community Development Commission of LA County (LACDC), staff requested to combine this project with CIP 17-687 ADA Improvement at Various Locations to create a more competitive bid package. LACDC approved the project combination and requested that Labor Compliance services be acquired for the project. Solicited & received RFP for labor compliance services; under review. Estimate to solicit for construction bids mid February 2019. Locations are:6th St @
	Design - in house, complete			12/15/2017	01/17/2019	
	RFP for Labor Compliance services			09/15/2018	02/12/2019	
	Solicit construction bids			01/17/2019	02/14/2019	
18-692	14th Street Beach Restroom Rehabilitation - Phase 1. Project will rehabilitate restroom in 2 phases. 1st Phase will rehab wastewater handling (sewage lift station). 2nd phase will rehab restroom facility.	\$ 110,000	gk/ef			Staff will need to meet with designer to discuss immediate sewer issue that effects overall phasing of the project. This is projected to occur in mid 2019.
	Field review			01/15/2019	01/30/2019	
	Design & develop construction documents			02/11/2019	03/28/2019	
	Solicit construction bids			TBD	TBD	
	Construction					
	<b>PUBLIC BUILDING &amp; GROUND IMPROVEMENTS TOTAL:</b>	<b>\$ 5,292,222</b>				
	<b>GRAND TOTAL:</b>	<b>\$ 17,050,475</b>				



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

REPORT 19-0033

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### **PLANNING COMMISSION TENTATIVE FUTURE AGENDA ITEMS**

(Community Development Director Ken Robertson)

#### **Recommended Action:**

Staff recommends that the City Council receive and file the February 19, 2019 Planning Commission tentative future agenda items.

#### **Attachments:**

Planning Commission February 19, 2019 Tentative Future Agenda

**Respectfully submitted by:** Ken Robertson, Community Development Director

**Approved:** Suja Lowenthal, City Manager

## Tentative Future Agenda

PLANNING COMMISSION  
City of Hermosa Beach

**February 19, 2019**

**Regular Meeting**

**7:00 P.M.**

Project Title	Public Notice	Meeting Date
⇒ 825 15 <sup>th</sup> Street—Conditional Use Permit Precise Development Plan & Vesting Tentative Parcel Map No. 80318 for a 2-unit condominium.	2/7/19	2/19/19

f:\b95\cd\pc\future items\tent. future agendas\planning commission tentative agenda 2-19-19



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

REPORT 19-0037

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### **ACTION SHEET OF THE PLANNING COMMISSION MEETING OF JANUARY 15, 2019**

#### **Recommended Action:**

Staff recommends that the City Council receive and file the action sheet of the Planning Commission meeting of January 15, 2019.

#### **Attachments:**

Action Sheet of January 15, 2019

**Approved:** Ken Robertson, Community Development Director





# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA  
90254

## Action Minutes - Draft

### Planning Commission

*Chair*  
*Marie Rice*

*Vice Chair*  
*David Pedersen*

*Commissioners*  
*Peter Hoffman*  
*Michael Flaherty*  
*Rob Saemann*

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Monday, January 15, 2019

7:00 PM

Council Chambers

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#### 1. Call to Order

Chairperson Rice called the meeting to order at 7:00 p.m.

#### 2. Pledge of Allegiance

#### 3. Roll Call

**Present** 4 - Chairperson Marie Rice, Vice Chair David Pedersen, Commissioner Michael Flaherty, and Commissioner Rob Saemann  
**Absent** 1- Commissioner Peter Hoffman

**Also Present:** Ken Robertson, Community Development Director  
Lauren Langer, Assistant City Attorney  
Kim Chafin, Planning Manager  
Nicole Ellis, Associate Planner

#### 4. Oral / Written Communications

### Section I

#### CONSENT CALENDAR

5. [REPORT 19-0018](#) Approval of the December 10, 2018 Planning Commission Action Minutes

Attachments: [1. December 10, 2018 Planning Commission action minutes](#)

**ACTION:** Motion by Commissioner Pedersen and seconded by Commissioner Saemann

to approve the Planning Commission action minutes of the December 10, 2018 regular meeting. The motion carried by a unanimous vote.

**6. Resolution(s) for Consideration - None**

[REPORT](#)  
[19-0019](#)

Information Only: Projects Zoning Map

Attachments: 1. [Project Zoning Map](#)

**Section II**

**PUBLIC HEARING - None**

**Section III**

**7. HEARING**

[REPORT](#)  
[9-0031](#)

701 Longfellow Avenue - Lot Line Adjustment 18-1 between two vacant parcels at 701 Longfellow Avenue (APN: 4169-028-019) and the adjacent parcel to the east (APN: 4169-028-018); and determination that the project is categorically exempt from the California Environmental Quality Act (CEQA).

**ACTION:** Motion by Commissioner Pedersen and seconded by Commissioner Flaherty to adopt the attached resolution approving the lot line adjustment between a vacant parcel at 701 Longfellow Avenue (APN: 4169-028-019) and the adjacent parcel to the east (APN: 4169-028-018) finding that the lot line adjustment conforms to the General Plan, Zoning Ordinance and Subdivision Map Act; and determine that the project is categorically exempt from the California Environmental Quality Act (CEQA) The motion carried by the following vote:

**Ayes:** Commissioners Flaherty, Saemann, Pedersen and Chairperson Rice

**Noes:** none

**Abstain:** none

**Absent:** Commissioner Hoffman

**Recuse:**

**none:**

This final action is subject to potential review by the City Council pursuant to Chapter 2.52 of the Municipal Code\*, or may be appealed to the City Council by any party if filed by February 4, 2019.

**Section IV****8. Staff Items**

- a. **Report 19-0020** Verbal Report on City Council Actions

- b. **Report 19-0021** Verbal Status Report on Major Planning Projects

- c. **Report 19-0029** February 19, 2019 Planning Commission Tentative Future Agenda Items

Recommendation: Staff recommends the Planning Commission receive and file the February 19, 2019 Planning Commission tentative future agenda items.

Attachments: Planning Commission Tentative Agenda for 2-19-19

**ACTION: Motion by Commissioner Flaherty and seconded by Commissioner Saemann to receive and file the February 19, 2019 Planning Commission tentative future agenda items. The motion carried by a unanimous vote.**

- d. **Report 19-0022** Community Development Department Activity Report of November, 2018

Recommendation: To receive and file the November, 2018 Community Development Department activity report but correct the error on page 6 column 1.

Attachments: Community Development Department activity report on November, 2018

**ACTION: Motion by Commissioner Pedersen and seconded by Commissioner Saemann to receive and file the February 19, 2019 Planning Commission tentative future agenda items. The motion carried by a unanimous vote.**

**9. Commissioner Items**

- 10. Adjournment** ACTION: Motion by Commissioner Flaherty and seconded by Commissioner Saemann to adjourn to the next scheduled meeting of the Planning Commission on February 19, 2019. The motion carried by a unanimous vote and the meeting was adjourned at 7:21pm by Chairperson Rice.

\*Chapter 2.52, Section 2.52.040 of the Municipal Code provides for Council review and reconsideration of any decision of the Planning Commission by two affirmative votes at the next regularly scheduled City Council meeting. In the event the Council initiates a review, the review will be placed on a future agenda of City Council within a reasonable time period, and the Commission's decision is stayed pending Council's review and final decision.



## Staff Report

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### Staff Report

REPORT 19-0036

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**ACTION MINUTES OF THE EMERGENCY PREPAREDNESS  
ADVISORY COMMISSION MEETING OF NOVEMBER 5, 2018**

**Recommended Action:**

Staff recommends that the City Council receive and file the action minutes of the Emergency Preparedness Advisory Commission meeting of November 5, 2018.

**Attachments:**

Minutes of November 5, 2018

**Respectfully Submitted by:** Brandy Villanueva, Emergency Services Coordinator

**Approved:** Suja Lowenthal, City Manager



**EMERGENCY PREPAREDNESS ADVISORY COMMISSION**  
**THURSDAY, November 5, 2018 - 7:00 P.M.**

**Meeting Minutes**

**CALL TO ORDER - Present:** Chair Gila Katz, Vice-Chair Buckland, Commissioners Alan Benson, Nadine Skye-Davis, and Michael Detoy.

**Absent:** Commissioner William Hallett, Laura Walters, LA County Fire Department

**Department Representatives:** Officer Faulk, HBPD and Jeff Robinson, Area G DMAC

**Start Time:** Meeting began at 7:00 p.m.

**PLEDGE OF ALLEGIANCE –** Area G DMAC Jeff Robinson

**ANNOUNCEMENTS**

1. Chair Katz stated that she recently learned about the PATH program in which the City participates. PATH is an agency that connects those experiencing homelessness with services to assist with their needs.
2. Officer Faulk stated that November is known as No Shave November to create awareness for Prostate Cancer. Hermosa Beach Police Department is participating in this awareness campaign. Many officers will be growing a beard and have paid to participate in the program. The funds raised during the month will be donated for cancer research.
3. Chair Katz stated that she connected with the Police department regarding the vulnerable population list. The department currently does not have an updated list. Therefore, Chair Katz stated that this is an area that EPAC needs to focus.
4. Chair Katz stated that EPAC would like to participate in the Great Shakeout in 2019 as they were not invited to participate in the City's drill in 2018.
5. Chair Katz encouraged the community to donate to the annual toy drive and support those in the community that need assistance. In addition, Chair Katz encouraged residents to participate in the gift wrapping component of the toy drive.

**PUBLIC PARTICIPATION –** None

**PRESENTATIONS –** None

**REPORTS**

**1. FIRE DEPARTMENT REPORT**

Los Angeles County Fire Department provided safety tips some of which Mrs. Villanueva had already included in the City Newsletter for November – Kitchen Safety and Change Your Clocks – Change the Batteries in your smoke detectors. The firefighters passed out candy to the residents on Halloween. The firefighters also participated in the Shakeout. All three shifts conducted windshield surveys and reported possible damage to the incident commander.

**2. POLICE DEPARTMENT REPORT**

Officer Faulk stated that the Police Department is working to update their vulnerable population list. In addition, the department is trying to conduct additional community outreach. Officer Faulk also stated that in addition to PATH services for the Homeless, the department has a program called MET (Mental Health Evaluation Team). There is a mental health professional who accompanies a police officer on a daily basis to address the needs of the homeless in the community. The mental

health professional is shared with Hermosa, Manhattan and Redondo Beach. In the event that an incident happens in a City in which the provider is not currently in, the provider will respond and will conduct their evaluation. The department is looking to expand this service and incorporate a second MET team. It is important for the public to realize that the 9<sup>th</sup> circuit court has provided various rulings on how to manage the homeless. If the police are called to an incident with a homeless individual, and the person is not committing a crime, the homeless person will not be arrested.

Chair Katz expressed her gratitude to the Hermosa Beach Police Department as well as the Redondo Beach and Manhattan Beach departments for assisting with the Vigil held to honor the victims of the Pittsburg shooting. The Vigil was held in Manhattan Beach.

Mrs. Villanueva stated that Santa Sleigh will be happening again this year. Officer Faulk will provide information about the event and Mrs. Villanueva will distribute it to the Commission. Officer Faulk also stated that the new Community Services Division Manager will begin on November 13, 2018 and that his name is Peter Alhstrom.

3. **OFFICE OF DISASTER MANAGEMENT – AREA G REPORT (South Bay Area of Los Angeles County).**

Mr. Robinson attended the International Association of Emergency Managers conference October 19 – 25, 2018 in Grand Rapids, Michigan. He has been asked to continue on the Training and Exercise committee for the conference for the third year. He stated that we always remember those who served the Country as Veteran's Day will be on November 11, 2018. He also encouraged the public to purchase emergency kits for family and friends for Holiday gifts.

4. **CITY EMERGENCY MANAGER'S REPORT - Brandy Villanueva, Emergency Manager**

Mrs. Villanueva provided a written emergency manager report and highlighted the following: 1. CPR/AED training was held on September 13, 2018 for City Staff and the final class will be held on November 29, 2018. 2. Mrs. Villanueva submitted the annual NIMS Compliance report to Los Angeles County Office of Emergency Services to be incorporated in to the Operational Area report. 3. The Hermosa Heroes Pancake breakfast was held on September 15, 2018 and planning for the 2019 event has begun. 4. City staff participated in the Great Shakeout by practicing Drop, Cover and Hold On and then evacuating per the City Staff Notification.

5. **HERMOSA BEACH CERT PROGRAM - Brandy Villanueva, Emergency Manager**

Mrs. Villanueva provided a written emergency manager report and highlighted the following: Basic CERT training was provided. Fifteen participants started the class, ten completed of which seven were Hermosa Beach residents. Mrs. Villanueva has received five HbCERT applications and currently awaiting the completion of the applicants Live Scan. The next basic CERT training will be held in Spring of 2019. The final quarterly training for HbCERT was held on October 16, 2018 in which volunteers were able to interact with the Basic CERT participants and practice their splinting skills.

6. **HERMOSA BEACH AMATEUR RADIO ASSOCIATION (HBARA) - Commissioner Hallett**

Commissioner Hallett was absent therefore no report was provided.

7. **HERMOSA BEACH VOLUNTEERS IN POLICING (VIP) – Vice-Chair Dave Buckland**

There are a variety of items happening with the VIP program. Hermosa Beach Police Department policy states that requests for vacation checks, fumigation checks and property checks may be completed by a police officer and/or a VIP. Officer Faulk stated that the department is always looking for additional Block Captains and Volunteers in Policing. It is important to stay vigilant. In addition, the police department has a registry for the Ring devices. Therefore, if residents buy a Ring device, be sure to register it with the police department.

**MATTERS FOR COMMISSION CONSIDERATION**

8. **APPROVAL OF MINUTES FROM THE MEETING OF SEPTEMBER 6, 2018**

Commissioner Benson motioned the approval of the EPAC meeting minutes for the meetings of September 6, 2018. Vice-Chair Buckland seconded the motion and the motion was approved.

**9. Emergency Number Magnet**

Mrs. Villanueva recommended that the approval of the final magnet design be held until the January 7, 2019 meeting since the Police Department was in the process of hiring a new Community Services Division Manager. Officer Faulk stated that the new manager's name is Peter Alhstrom and is set to begin on November 13, 2018. Mrs. Villanueva focused the discussion on recommendation two: the approval of the distribution plan. There are a variety of free distribution methods for the magnet which could be implemented immediately upon approval of the final design. The cost of printing and distributing the document in the Easy Reader and Beach Reporter would be about \$5000 which is currently not budgeted. The goal is to request the amount in the mid-year budget requests. Commissioner Al Benson motioned to approve the distribution plan and Vice-Chair Dave Buckland seconded the motion. All commissioners were in favor of the distribution plan.

Chair Katz recommended that the commissioners reach out to the Kiwanis, Rotary and Chamber of Commerce to request funds for the project.

**COMMISSIONER REPORTS**

**10. BUSINESS PREPAREDNESS OUTREACH – Commissioner Detoy**

Commissioner Detoy shared the single panel brochure with a QR code he created. The goal is to have the businesses use the QR code to get all of the resources needed to build an emergency preparedness program for their business. The commission felt the brochure looked good.

**11. Community-Wide Emergency Alert System –Commissioner Hallett**

Commissioner Hallett was not in attendance therefore there was no report.

**12. Promotion of Community Emergency Response Team (CERT) – Commissioner Buckland/Commissioner Skye-Davis**

The South Bay Animal CERT team held two classes: an administrative training on animal intake and An animal care basic training, both which were provided by Red Rover and held at the Redondo Beach Police Department Annex. The trainings included a discussion to improve team development.

Commissioner Skye-Davis completed the second equine response team training with Los Angeles County Animal Care and Control. The two-day training was held in Agua Dolce and covered all aspects of carrying for equine. Rancho Palos Verdes will be hosting the training in Spring of 2019.

Vice-Chair Buckland and Commissioner Skye-Davis along with members from the South Bay Animal CERT team attended the Pets and People Disaster Forum on October 30, 2018. The commissioners felt the event was amazing and brought many agencies and people together who help animals in disasters. 65% of households have a pet and 50% of those households have multiple pets. A lot of information was provided, and it is apparent that jurisdictions are underprepared to manage animals in a disaster.

Chair Katz reminded the public to micro-chip their animals. And as a reminder, there were numerous abandoned pets during Hurricane Katrina and it was challenging to reunite the animals with their owners.

Commissioner Skye-Davis stated that she attended Al Muratsuchi Earthquake Preparedness Townhall on October 6, 2018. The event highlighted the Torrance emergency communications.

Commissioner Skye-Davis stated that Communication and Transparency are critical. She stated that she requested to have a discussion placed onto the November 5, 2018 EPAC agenda a regarding the role of EPAC and the request was denied. She felt that EPAC should have an opportunity to discuss the role in a public forum. She stated that she requested a copy of the staff report or an overview of the staff report when the item was originally to appear before City Council on October 23, 2018 and it was not provided.

**13. Community Wide Emergency Preparedness Subcommittee – Chair Katz/Commissioner Benson**

Commissioner Benson stated that the subcommittee along with Vice-Chair Buckland have a meeting on Wednesday, November 7, 2018 with City Manager Suja Lowenthal to discuss their plan for a Community-wide emergency preparedness program.

**COMMISSION MEMBER REQUESTS FOR FUTURE AGENDA ITEMS**

- Commissioner Benson requested to have his requested agenda item “Access and mobility issues as it relates to Emergency Preparedness in Hermosa Beach” kept in the future agenda items.
- Commissioner Benson requested that a discussion regarding the role of EPAC be placed on to the January 7, 2019 agenda. Vice- Chair Buckland seconded the request. All commissioners were in favor.

**14. ADJOURNMENT**

- Meeting adjourned at 7:40 p.m.





## Staff Report

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### Staff Report

REPORT 19-0047

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**REQUEST FOR APPROVAL OF SPONSORSHIP DONATION TO  
MIRA COSTA HIGH SCHOOL GRAD NITE 2019**

(City Manager Suja Lowenthal)

**Recommended Action:**

Staff recommends that the City Council approve a donation of \$1,000 to the Mira Costa High School G.R.A.D. Booster Club for 2019.

**Background:**

Requests from Mira Costa High School have been approved annually since 1998. The amount originally approved in 1998, and subsequently requested annually is \$1,000.

**Fiscal Implications:**

This donation is included in the 2018-19 budget.

**Attachment:**

Mira Costa G.R.A.D. Nite Donation Request and Sponsorship Form

**Respectfully Submitted by:** Suja Lowenthal, City Manager

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**From:** MCHS Grad Nite Boosters <[costagradnite@gmail.com](mailto:costagradnite@gmail.com)>  
**Date:** November 27, 2018 at 10:32:56 PM PST  
**To:** City Council <[citycouncil@hermosabch.org](mailto:citycouncil@hermosabch.org)>  
**Subject:** Hermosa Beach and Mira Costa High School GRAD Nite

It's "Giving Tuesday," and I am reaching out to you again about a sponsorship opportunity with Mira Costa High School G.R.A.D. Nite.

Mira Costa G.R.A.D. Nite is a 25+ year tradition of providing a safe, fun, supervised and SOBER all-night celebration for the 2019 graduates. The graduates are bussed to a secret location where they are fed, entertained and kept safe into the early morning.

At this time, we are actively seeking sponsorships and donations from our community to help make the night a success.

Donations are tax deductible, and all sponsors will be recognized:

- On signage at Mira Costa High School graduation and later on Artesia Boulevard
- On site at the venue
- In our Beach Reporter "Thank You" ad
- On the Mira Costa G.R.A.D Nite website

G.R.A.D. Nite is all about celebrating the success of our local community's graduates, while keeping them safe, and protecting them from harm. We believe this is a worthwhile community cause for the city of Hermosa Beach.

We hope you will consider supporting the 2019 MCHS Graduates. We are grateful for any sponsorship or donation.

Please see the attached document for sponsorship information and opportunities.

Lisa Krigsman, Fundraising  
[costagradnite@gmail.com](mailto:costagradnite@gmail.com)  
310-489-8799

<http://www.mchsgradnite.com/home.html>



**Mira Costa High School**  
**G.R.A.D. Nite: June 13, 2019**

**Please Support MCHS G.R.A.D. Nite**

**G.R.A.D. Nite (Graduates Resisting Alcohol and Drugs)**  
An all-night, fun, supervised and SOBER event for graduates to  
celebrate safely with their peers on Graduation Night

G.R.A.D. Nite is a 25+ Year Mira Costa tradition. Seniors are encouraged to  
celebrate with other graduates, in a drug-free and alcohol-free environment

Graduates are bussed to a secret destination where they are fed and  
entertained well into the early morning

Ticket prices are kept low to encourage attendance, and scholarships are  
provided to students who otherwise could not afford to attend

Please consider becoming a Mira Costa G.R.A.D Nite Sponsor

100% of your donation will cover scholarships and the cost of the event  
Your donation is tax Deductible

To learn more about G.R.A.D Nite, please visit  
[mchsgradnite.com](http://mchsgradnite.com) / Password: MC

Lisa Krigsman, Fundraising Chair [costagradnite@gmail.com](mailto:costagradnite@gmail.com) / 310-489-8799  
1031 33<sup>rd</sup> Street, Manhattan Beach, CA 90266  
Checks should be written to MBX Foundation with GRAD Nite in the memo

The tax ID # is 02-0603467 We are a 501(c)(3) Organization



**Mira Costa High School  
G.R.A.D. Nite 2019  
Sponsorship Opportunities**

**Presenting Sponsor - \$5,000 or more**

**On Site Presence:**

- Presenting Sponsor signage prominently displayed at venue entrance

**Advertising:**

- Presenting Sponsor credit in Beach Reporter "Thank You" Ad
  - Presenting Sponsor credit on GRAD Nite website
- Presenting Sponsor banner at MCHS during graduation and then displayed on Artesia Boulevard

**Major Sponsor - \$1,000 to \$4,999**

**On Site Presence:**

- Major Sponsor signage prominently displayed at venue

**Advertising:**

- Major Sponsor credit in Beach Reporter "Thank You" Ad
  - Major Sponsor credit on GRAD Nite website
- Major Sponsor banner at MCHS during graduation and then displayed on Artesia Boulevard

**Activity Sponsor - \$500 to \$999**

An Activity Sponsor will help fund a specific activity. Previous activities have included fortune tellers, temporary tattoos, candy bars, espresso bars, photo booths, arcade games, ice cream bars and more

**On Site Presence:**

- Activity Sponsor signage prominently displayed at GRAD Nite venue

**Advertising:**

- Activity Sponsor credit in Beach Reporter "Thank You" Ad
- Activity Sponsor banner at MCHS during graduation and then displayed on Artesia Boulevard

**Questions about Sponsorship?**

Please contact [costagradnite@gmail.com](mailto:costagradnite@gmail.com)

Or call Lisa Krigsman (310) 489-8799

We are a 501(c)(3) Organization  
Your Donation is tax Deductible



## Staff Report

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### Staff Report

REPORT 19-0038

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**2017-18 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)  
(Including Report from Independent Auditor)  
(Finance Director Viki Copeland)**

**Recommended Action:**

Staff recommends that the City Council receive and file the 2017-18 Comprehensive Annual Financial Report (CAFR), which includes the report from The Pun Group, LLP, the City's independent auditors.

**Executive Summary:**

For the 2017-18 fiscal year, the City again received an unmodified opinion, which indicates that the auditor believes the financial statements present a fair picture of the financial position of the City, as opposed to a modified opinion, in which the auditor "modifies" or limits his opinion for specific reasons, such as lack of capital asset accounting, significant internal control deficiencies or non-compliance with other Government Accounting Standards Board (GASB) requirements.

Since comparative information for the General Fund for 2016-17 and 2017-18 is not included in the CAFR, it is presented in the analysis section. Some of the comments from the Transmittal letter and Management's Discussion and Analysis (MD&A), located in the Financial Section of the CAFR, are repeated herein for the purpose of having this staff report stand alone.

Overall, General Fund Revenue increased by 2.2% and expenditures increased by 1%. The year-end transfer of unspent funds in the General Fund was made to the Insurance fund, since the net position in the Insurance Fund was lower than the funding goal of \$3,000,000 due to several settlements and the recording of year end claims liabilities. The year-end transfer from the General Fund brought the 6/30/18 balance up to \$2,516,161.

**Background:**

Annually, the City has a financial audit performed by an independent, certified public accounting firm. The auditor's report is located behind the second divider that is labeled "Financial Section".

The report was submitted to the Government Finance Officers Association (GFOA) to qualify for the Certificate of Achievement for Excellence in Financial Reporting. The City received the award for the

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## Staff Report

REPORT 19-0038

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2016-17 CAFR and has received the award since 1990. The award program requires a high level of compliance with governmental standards, inclusion of information well beyond the general-purpose financial statements and an unmodified audit opinion.

There were several new Governmental Accounting Standards Board (GASB) statements effective for fiscal year 2017-18, however only GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* had any effect on the City's financial statements.

GASB 75, effective July 1, 2017, requires net other postemployment benefits (OPEB) liabilities to be included in the financial statements for the first time. The July 1, 2017 beginning balance was restated to reflect the impact. GASB 75 updates OPEB accounting and financial reporting standards to be consistent with the pension standard in GASB 68. The main impacts to the financial statements are the recording of the net OPEB liability in the government-wide financial statements on pages 21-25, and enhanced disclosures to Note 10- Other Postemployment Benefit Plan on pages 77-80 and Required Supplementary Information on pages 93 to 94. There is no impact to the fund financial statements.

In 2014-15, the City implemented GASB 68 *Accounting and Financial Reporting for Pension* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No 68*. While GASB 68 and 75 implemented changes to the accounting and reporting of net pension and OPEB liabilities, neither impact the way pension and OPEB liabilities are funded. Since the net pension and OPEB liabilities are payable over an extended time horizon, they do not represent a claim on current financial resources.

Also, as a helpful reminder in reading the CAFR, the GASB 34 reporting model that was implemented in 2002 dictates the following:

- Present financial information in specific formats, namely, the Government Wide Financial Statements, beginning on page 21. These statements are designed to show net assets and equity of the City as a whole and to provide information on the cost of services and show how programs are financed.
- Requires Management's Discussion and Analysis (MD & A) to present financial highlights and assess performance for the year.
- Requires reporting on "major" funds rather than aggregate fund types.
- Requires accrual accounting (in the Government Wide Statements) for all governmental funds, meaning that long term assets and liabilities (such as capital assets, including infrastructure) are included in addition to short term assets and liabilities. All revenues and all costs of providing services are also reported, not just those received or paid in or soon after year-end.

GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in 2012-

## Staff Report

REPORT 19-0038

13, established fund classifications based upon constraints imposed on the use of resources in governmental funds. The primary initial impact of this classification change is that funds previously held separately, the Contingency Fund, Compensated Absences Fund, and the Retirement Stabilization Fund are now shown in the General Fund in the "Committed" or "Assigned" totals on page 31, the Balance Sheet for Governmental Funds. The City's policy for these funds shows on pages 55-56 in Note 1 of the CAFR and the detailed amounts show in Note 11 on page 81.

### Analysis:

Since comparative information for the General Fund for 2016-17 and 2017-18 is not included in the CAFR, it is presented below. Some of the comments from the MD&A and Transmittal letter, as mentioned above, are repeated herein for the purpose of having this staff report stand alone. Additional information and analysis can be found in the Transmittal Letter starting on page v and in the MD&A starting on page 7.

### General Fund Revenue

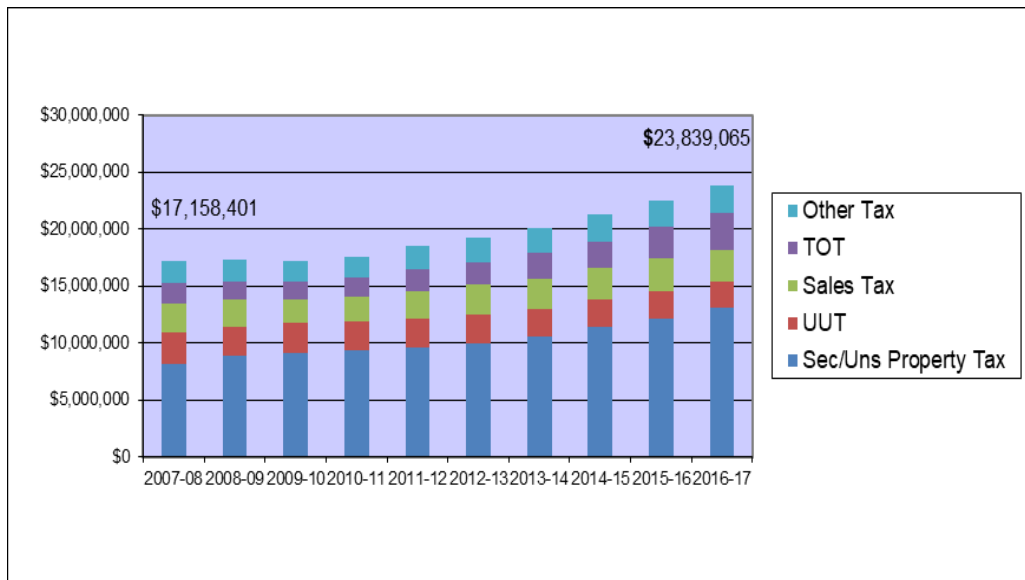
General Fund revenue increased 4% over 2016-17, however due to a change in the way Utility User Tax (UUT) revenue is reported in the General Fund *for financial statement purposes only*, the overall increase was reduced to 2.2%. UUT revenue decreased by 3.1% overall, however the General Fund shows a UUT decrease of 33.54%. See the Utility User Tax section for further explanation.

REVENUE SOURCE	Revenue FY 2017-18 Amount	Increase (Decrease) Over FY 16-17	% Of Increase (Decrease)	% Of Total
Property Taxes	\$17,072,844	\$1,319,762	8.38%	44.53%
Sales Tax	\$3,151,207	\$264,909	9.18%	8.22%
Utility Users' Tax *	\$2,229,905	(\$72,119)	-3.13%	5.81%
Transient Occupancy Tax	\$3,295,207	\$58,181	1.80%	8.59%
Other Taxes	\$1,642,962	(\$39,492)	-2.35%	4.29%
Licenses and Permits	\$787,563	(\$180,393)	-18.64%	2.05%
Fines and Forfeitures	\$1,921,215	(\$149,384)	-7.21%	5.01%
Use of Money and Property	\$708,505	(\$9,734)	-1.36%	1.85%
Intergovernmental Revenue	\$117,774	\$1,598	1.38%	0.31%
Charges for Services	\$7,170,767	\$201,084	2.89%	18.70%
Miscellaneous	\$177,509	\$50,691	39.97%	0.46%
Interest	\$66,019	\$66,019	N/A	0.17%
<b>Total</b>	<b>\$38,341,477</b>	<b>\$1,511,122</b>	<b>4.10%</b>	<b>100.00%</b>
UUT Revenue Recorded in Storm Water Fund*	-\$700,000	-\$700,000		
<b>Adjusted Total</b>	<b>\$37,641,477</b>	<b>811,122</b>	<b>2.15%</b>	

\* \$700,000 in UUT revenue was removed from the General Fund and shown in the Storm Water Fund as revenue rather than a transfer

### **Taxes**

Revenue from taxes generates 71% of General Fund revenue. The graph below tracks select tax revenue sources over the past ten years.



### **Property Tax**

Total property tax revenue increased 8.4%. The graph above shows secured tax, which increased 8% and unsecured tax, which increased 2.4% respectively. Hermosa Beach's assessed valuation for secured and unsecured property increased 7.4% overall. The 7.4% growth was the 9<sup>th</sup> highest of 88 cities in Los Angeles County. Median home prices in Hermosa Beach for June 2018 were \$1,740,000 as compared to Los Angeles County's median price of \$615,000. The average median home price for Hermosa Beach for fiscal year 2017-18 was \$2,026,432 compared to \$1,830,667 for the prior year.

### **Sales Tax**

Sales tax revenue is up 9.2% from 2016-17 primarily due to increases in the Eating and Drinking Places under the Retail Group and the overall Manufacturing and Wholesale Group. The primary change in the Manufacturing and Wholesale Group is due to a home occupation business for computer sales.



## Staff Report

REPORT 19-0038

### Sales Tax By Class\*

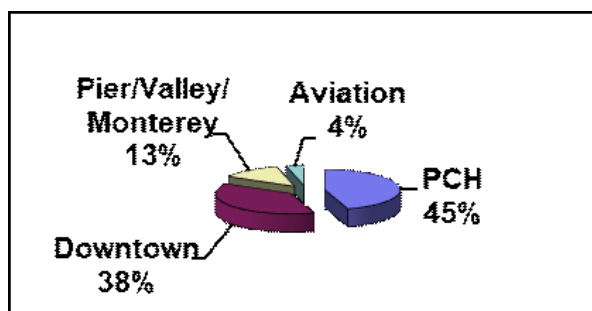
RANK / BUSINESS CLASS	2017-18	INC/(DEC)	% Change Previous Year	% OF TOTAL
Retail Group				
Eating/Drinking Places	\$1,031,825	\$50,608	5.16%	38.59%
Building Materials	\$254,907	\$22,334	9.60%	9.54%
Other Retail Stores	\$225,468	\$5,231	2.38%	8.43%
Food Stores	\$178,985	\$17,870	11.09%	6.70%
Auto Dealers & Supplies	\$145,365	\$8,590	6.28%	5.44%
Furniture/Appliance	\$127,389	\$138	0.11%	4.77%
Service Stations	#	#	12.57%	#
Drug Stores	#	#	1.17%	#
Appraael Stores	\$74,151	\$2,286	3.18%	2.77%
All Other Retail	\$67,517	\$2,493	3.83%	2.53%
Total Retail Group	#	#	5.69%	<b>86.16%</b>
Total Manufacturing & Wholesale	\$189,967	\$89,324	61.25%	<b>8.80%</b>
Total Business, Service, Repair	\$100,181	(\$11,535)	-8.02%	<b>4.95%</b>
Total Non-Store/Part Time Retailers/Adjustments	\$2,255	(\$47)	-1.89%	<b>0.09%</b>

\* Threshold for inclusion, \$300 per quarter

\* Service station and drugstore amounts are not listed because there are too few in the category.

### Sales Tax by Geographic Area

LOCATION	Revenue 2016-17	% OF Total	% Chg	Revenue 2017-18	% OF Total
PCH	902,162	43%	11%	1,002,774	45%
Downtown	837,837	39%	1%	846,338	38%
Pier/Valley/Monterey	296,729	14%	-2%	291,381	13%
Aviation	91,844	5%	-9%	83,874	4%



### **Transient Occupancy Tax (TOT)**

Transient occupancy tax continues to be up, increasing 1.8% over 2016-17. Hotel occupancy was consistent with the prior year at 81.4% in 2017-18 compared to 81.5% for 2016-17. Revenue was nearly \$3.3 million, the City's highest year ever.

### **Utility User Tax (UUT)**

The City transfers \$700,000 in Utility User Tax revenue annually to the Storm Drain Fund for operations and maintenance. In 2017-18, the \$700,000 transfer from the General Fund was recorded as UUT revenue instead of a transfer in the Storm Drain Fund *for financial statement reporting purposes*. UUT was down overall by \$72,118 or 3.1% in 2017-18.

### **Licenses and Permits**

The License and Permit category decreased 19% because of a decrease in taxi franchise fees due to a reduction in the franchise fee from \$1,100 per cab to \$610 per cab and a decrease in the number of cabs required per franchise. With new legislation passed that requires taxis to obtain permits only where they are "substantially located", the forecast for this revenue is uncertain.

### **Fines and Forfeitures**

Fines and Forfeitures were down 7% due to a decrease in court fines/parking caused by personnel shortages and a decrease in municipal court fines. When staffing issues occur, part-time personnel will be used to supplement the existing staff. Municipal Court Fines have decreased as a result of an increased use of diversion programs implemented by the courts.

### **Service Charges**

Service Charges show an increase of 2.9% due to having a full year of revenue related to business license application and renewal fees and the credit card processing fee, which were recommended by the user fee study in 2016-17 and implemented December 2016. Ambulance transport, parking meter and lot revenue, and public improvement plan check fees were all up over 2016-17.

## Staff Report

REPORT 19-0038

### General Fund Expenditures

GENERAL FUND	Expenditures 2017-18 Amount	Increase (Decrease) Over 16-17	% Of Increase (Decrease)	% Of Total
Legislative/Legal	\$1,302,500	(\$146,009)	-10.08%	3.69%
General Government	\$3,684,961	\$44,565	1.22%	10.44%
Public Safety	\$21,338,362	\$50,739	0.24%	60.47%
Community Development	\$1,945,096	\$112,862	6.16%	5.51%
Culture/Recreation	\$1,383,630	\$100,993	7.87%	3.92%
Public Works	\$5,087,725	\$217,920	4.47%	14.42%
Capital Outlay	\$544,259	(\$21,329)	-3.77%	1.54%
Total	\$35,286,533	\$359,741	1.03%	100.00%

Expenditures show an increase of 1% due to the following:

- The Legislative and Legal decrease is primarily due to a decrease in legal fees in 2017-18. Legal fees were up in 2016-17 due to oil and short-term vacation rental litigation.
- The General Government increase is mainly due to a change in staff allocation. The Emergency Management Coordinator position moved from the Fire Department to the City Manager's Department due to the transition of fire services to Los Angeles County Fire on December 30, 2017.
- The Public Safety increase is largely due to an increase in personnel costs in the Community Services division and increased personnel and contract services costs in the Police Department. While Community Services staffing issues have been ongoing, there was an increase in regular and overtime hours in 2017-18 over 2016-17. Additionally, a new Community Services Officer position was hired in conjunction with the increased parking enforcement hours approved in March 2018. The Police Department had increased personnel costs due to promotions and increased contract services costs related to a private security contract for downtown. The increase in the Community Services division and Police Department costs were partially offset by a decrease in fire services costs associated with personnel vacancies during the first six months of the year, prior to the transition to LA County Fire Services.
- The Community Development increase is primarily due to personnel costs. The allocation of the full-time permanent Code Enforcement Officer/Fire Inspector position changed from a 50-50 split between the Fire Department and Community Development to 100% to Community

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## Staff Report

REPORT 19-0038

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Development in 2017-18, the Building and Code Enforcement Official, Community Development Director, and Planning Manager were no longer allocated to the Source Reduction/Recycling Program, and there were staffing vacancies in the Assistant and Associate Planner positions in 2016-17.

- The Culture and Recreation increase is mainly due to an increase in part-time/temporary personnel costs. Hourly rates for part-time/temporary personnel were adjusted January 1, 2018 to align with the minimum wage increase. Additionally two new Recreation Specialists were hired for Monday -Thursday office hours, in place of utilizing Recreation Leaders, and the role of Lead Youth Programs Counselor was filled.
- The Public Works increase is primarily due to higher personnel and contract services costs. The Associate Engineer position was filled a full year in 2017-18 in comparison to 6 months in 2016-17. There were also increased part-time temporary hours for the Public Works Intern and Inspector positions over 2016-17. Both positions were added during 2016-17. Contract services increased due to a new landscape maintenance contract and citywide sweeping, steam cleaning and porter services.
- Capital Outlay decreased slightly over 2016-17 largely due to prior year expenditures related to the installation of a solar photovoltaic system on the community center roof and equipment purchased for South Park.

### **General Fund Unspent Funds**

The policy of transferring unspent funds in the General Fund to the Insurance Fund, Equipment Replacement Fund (ERF) and Compensated Absences Fund was implemented in 1995-96 to build equity and provide funds for amounts owed to employees for accumulated leave. The policy was changed in 1998-99 to discontinue allocating funds to the Compensated Absences Fund (since the target amount was reached), to create a Capital Improvement Fund for street and other capital improvements and to include a goal for Contingency funds in the policy. The Contingency Policy was changed from 15% of appropriations for operating funds to 16% in 2013-14 in keeping with best practices.

The City Council amends the policy, as necessary, when goals or targets are met and depending on where funds are needed. For several years, funds available at year end were transferred to the Insurance Fund to cover estimated insurance claims liabilities and the oil settlement agreement. From 2013-14 to 2015-16, funds available at year end were transferred to the Capital Improvement Fund. The 2016-17 and 2017-18 transfers went to the Insurance Fund to help cover the 2016-17 oil settlement agreement and 2017-18 liability claims settlements.

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## Staff Report

REPORT 19-0038

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### Insurance Fund

The net position in the Insurance Fund is lower than the funding goal of \$3,000,000 due to several settlements and the recording of year end claims liabilities. The year-end transfer of unspent funds from the General Fund brought the 6/30/18 balance up to \$2,516,161.

Other primary expenses in the Insurance Fund are related to Worker's Compensation and General Liability divisions. Claims payments for worker's compensation are higher by \$13,028 and liability cases are higher by \$1,557,743 in 2017-18. The year-end liability is established annually through an actuarial study performed by the Independent Cities Risk Management Authority's independent actuary. The total claims expense is higher by \$969,531, primarily due the settlement of claims in 2017-18.

### Changes to Claims Expense

DEPARTMENT/DIVISION	2016-17	2017-18	Increase (Decrease)
Workers Compensation Division			
Change to:			
Claims Paid	\$1,114,765	\$1,127,793	\$13,028
Year-end Liability	234,159	187,443	(46,716)
	<u>\$1,348,924</u>	<u>\$1,315,236</u>	<u>(\$33,688)</u>
Liability Division			
Change to:			
Claims Paid	\$459,706	\$2,017,449	\$1,557,743
Year-end Liability	447,196	(107,328)	(554,524)
	<u>\$906,902</u>	<u>\$1,910,121</u>	<u>\$1,003,219</u>
Total Claims Expense	\$2,255,826	\$3,225,357	\$969,531

### General Plan Consistency:

PLAN Hermosa, the City's long-range planning document, was adopted by the City Council in August 2017, and envisions a future where "Hermosa Beach is the small town others aspire to be; a place where our beach culture, strong sense of community, and commitment to sustainability intersect." One of the guiding principles to achieve the vision is to make decisions and take actions that help contribute to the City's economic and fiscal stability.

A focus of the Governance chapter in the General Plan is to ensure that decision-making and

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## Staff Report

REPORT 19-0038

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leadership is conducted in an ethical, transparent, and innovative manner that reflects community values. Goal 1 of the Governance chapter speaks to maintaining a high degree of transparency and integrity in the decision-making process.

Other relevant General Plan policies are listed below:

### *Infrastructure*

- 1.2 Priority investments. Use City Council established priorities and the Capital Improvement Program (CIP) to identify and allocate funding for projects identified in the infrastructure plan.
- 1.9 Preventative street maintenance projects. Include street slurry projects and other preventive projects in the CIP each year, with sufficient funding.

### *Public Safety*

- 5.2 High level of response. Achieve optimal utilization of allocated public safety resources and provide desired levels of response, staffing, and protection within the community.

### **Fiscal Impact:**

The 2017-18 CAFR provides a financial overview for the previous fiscal year. Audited fund balances will be used to update the 2018-19 Fund Summary Report utilized as a part of the upcoming 2018-19 Midyear Budget Review, which is scheduled for February 26<sup>th</sup> at 7:00pm.

### **Attachments:**

1. 2017-18 Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report is also available for review online at <http://www.hermosabch.org/index.aspx?page=209>.

**Respectfully Submitted by:** Viki Copeland, Finance Director

**Approved:** Suja Lowenthal, City Manager



**City of Hermosa Beach,  
California**

# **Comprehensive Annual Financial Report**

**For the Year Ended June 30, 2018**





# **City of Hermosa Beach**

Hermosa Beach, California

## **Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 2018*

Prepared by the  
Finance Department of Hermosa Beach



**City of Hermosa Beach**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2018**

**Table of Contents**

---

	<u>Page</u>
<b><u>INTRODUCTORY SECTION (UNAUDITED)</u></b>	
Letter of Transmittal .....	v
Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Association .....	xiii
Organizational Chart .....	xiv
Principal Officials of the City of Hermosa Beach .....	xv
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditors’ Report on Financial Statements .....	1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	5
Management’s Discussion and Analysis (Required Supplementary Information) (Unaudited) .....	7
<b>Basic Financial Statements:</b>	
<b>Government – Wide Financial Statements:</b>	
Statement of Net Position .....	22
Statement of Activities .....	24
<b>Fund Financial Statements:</b>	
<b><i>Governmental Fund Financial Statements:</i></b>	
Balance Sheet .....	31
Reconciliation of the Governmental Funds Balance Sheet to the Government–Wide Statement of Net Position .....	32
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	33
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government–Wide Statement of Activities .....	34
<b><i>Proprietary Fund Financial Statements:</i></b>	
Statement of Net Position .....	37
Statement of Revenues, Expenses, and Changes in Net Position .....	38
Statement of Cash Flows .....	39
<b><i>Fiduciary Fund Financial Statements:</i></b>	
Statement of Fiduciary Net Position .....	43
Index to the Notes to the Basic Financial Statements .....	47
Notes to the Basic Financial Statements .....	49

**City of Hermosa Beach**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2018**

**Table of Contents (Continued)**

	<u>Page</u>
 <b><u>FINANCIAL SECTION (Continued)</u></b>	
 <b>Required Supplementary Information (Unaudited):</b>	
Budgetary Comparison Schedule – General Fund .....	89
Budgetary Comparison Schedule – Sewer Special Revenue Fund .....	90
Budgetary Comparison Schedule – Capital Improvements Capital Project Fund.....	91
Notes to the Budgetary Comparison Schedule .....	92
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios.....	93
Schedule of City's Contributions - Pension .....	94
Schedule of Changes in Net OPEB Liability and Related Ratios .....	95
Schedule of the City's Contributions - OPEB.....	96
 <b>Supplementary Information:</b>	
 <i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet .....	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	111
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
<i>Nonmajor Special Revenue Funds:</i>	
Lighting and Landscaping District .....	118
State Gas Tax .....	119
AB 939 .....	120
Prop A Open Space .....	121
Tyco.....	122
Tyco Tidelands .....	123
Parks/Recreation Facilities Tax.....	124
Bayview Drive Administrative Expense .....	125
Lower Pier Administrative Expense.....	126
Myrtle District Administrative Expense.....	127
Loma District Administrative Expense .....	128
Beach Drive Assessment District Administrative Expense.....	129
Proposition “A” Transit.....	130
Proposition “C” .....	131
Measure “R” .....	132
Air Quality Management District.....	133
Supplemental Law Enforcement Services.....	134
Asset Seizure and Forfeiture .....	135
Fire Protection .....	136
Community Development Block Grant.....	137
Measure “M” .....	138
RTI Undersea Cable .....	139
RTI Undersea Cable Tidelands .....	140
Grants .....	141
Storm Drains .....	142
<i>Nonmajor Debt Service Fund:</i>	
2015 Lease Revenue Bond .....	143

**City of Hermosa Beach**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2018**

**Table of Contents (Continued)**

	<u>Page</u>
<b>Supplementary Information (Continued):</b>	
<i>Internal Service Funds:</i>	
Combining Statement of Net Position .....	146
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	147
Combining Statement of Cash Flows .....	148
<i>Fiduciary Fund Financial Statements:</i>	
Combining Statement of Fiduciary Net Position.....	151
Combining Statement of Changes in Assets and Liabilities .....	153
 <b><u>STATISTICAL SECTION (Unaudited)</u></b>	
Net Assets by Component .....	158
Changes in Net Assets .....	160
Governmental Activities Tax Revenues By Source .....	164
Fund Balances of Governmental Funds .....	166
Changes in Fund Balances of Governmental Funds.....	168
General Government Tax Revenues By Source .....	170
Assessed Value and Estimated Actual Value of Taxable Property .....	171
Direct and Overlapping Property Tax Rates .....	172
Principal Property Taxpayers .....	174
Property Tax Levies and Collections .....	175
Construction Value and Property Value .....	176
Direct and Overlapping Debt .....	177
Legal Debt Margin Information .....	178
Demographic and Economic Statistics .....	180
Principal Employers .....	181
Full-Time and Part-Time City Employees by Function .....	182
Operating Indicators by Function.....	183
Capital Asset Statistics by Function.....	184
Ratios of Outstanding Debt by Type .....	185
Ratios of General Bonded Debt Outstanding .....	186
Pledged-Revenue Coverage .....	187

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# City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, CA 90254-3885

December 28, 2018

Honorable Mayor and Members of the City Council and Citizens of Hermosa Beach, California:

## Introduction

Presented herein is the Comprehensive Annual Financial Report (CAFR) of the City of Hermosa Beach for the fiscal year ended June 30, 2018. The report is intended to update readers on the status of the City's financial position and results of operations for the past fiscal year.

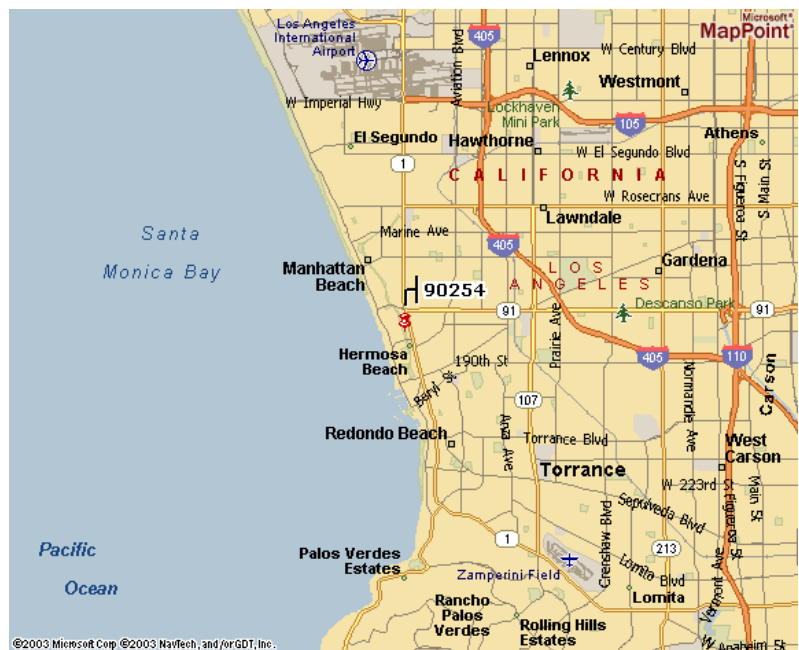
Management's representations concerning the finances of the City of Hermosa Beach are contained herein. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Hermosa Beach has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Hermosa Beach's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Hermosa Beach's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

## Audit

The City of Hermosa Beach's financial statements have been audited by The Pun Group, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Hermosa Beach for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hermosa Beach's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

## Profile of the Government

The City of Hermosa Beach is a beachfront, bedroom community with a stable population, located four miles south of Los Angeles International



Airport. The City occupies 1.4 square miles and serves a population of 19,673, according to the State's latest population estimate. However as a beach city, the City experiences a high visitor population and the associated costs. Due to this high visitor population, the City operates in many ways like a larger city. During the 2017-18 fiscal year, beach attendance ranged from a low of 84,900 in February 2018 to a high of 750,000 in July 2017, according to the Los Angeles County Fire Department, Lifeguard Division.

The City of Hermosa Beach, incorporated on January 14, 1907 as a general law city, operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of five members of the City Council elected on a non-partisan basis at large for a four-year term. Council members serve four-year, staggered terms, with an election every two years. One member is chosen by fellow members to serve as Mayor for a period of nine months; one is chosen to serve as Mayor Pro Tem. The terms of office for those elected in November of 2017 were extended by one year to accommodate the election date change from odd-numbered years to even-numbered years effective November 2022, as approved by the City Council.

The Council is responsible for, among other things, establishing policy, passing ordinances, adopting an annual budget; appointing members to various City Commissions and Boards and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City offers a full range of municipal services, including police, fire protection (provided by Los Angeles County beginning December 30, 2017), community development (planning and zoning), cultural, recreation and parks, maintenance and construction of public improvements, parking and animal control, and general administration. Financial information for the Lighting and Landscaping District, the Lower Pier Avenue Assessment District and the Myrtle Avenue, Loma Drive, Bayview Drive, and Beach Drive Utility Underground Districts are included in the City's financial statements as required by governmental accounting standards.

Summary information from the *May 2017 Profile of the City of Hermosa Beach*, produced in 2017, with data for 2016, by the Southern California Association of Governments (SCAG), is shown below along with selected information from the U.S. Census. The SCAG report is produced every two years, with the next release in May 2019.

SCAG PROFILE OF THE CITY OF HERMOSA BEACH		
Category	2016 STATISTICAL SUMMARY	2014 STATISTICAL SUMMARY
	Hermosa Beach	Hermosa Beach
Median Age	39.5	38.6
Non-Hispanic White	79.0%	79.5%
Hispanic	8.6%	8.8%
Non-Hispanic Asian	6.1%	6.0%
Non-Hispanic Black	1.3%	1.2%
Non-Hispanic American Indian	0.1%	0.2%
Non-Hispanic All Other	4.9%	4.3%
Homeownership Rate	44.7%	44.7%
Average Household Size	2.1	2.1
Median Household Income	\$104,756	\$95,050
Mean Travel Time to Work	34 minutes	33.3 minutes



U.S. CENSUS BUREAU QUICK FACTS					
Category	Hermosa Beach	California	Category	Hermosa Beach	California
Persons under 5 years, 2010	5.1%	6.8%	Per capita money income in the past 12 months (2015 dollars), 2012-2016	\$87,379	\$31,458
Persons under 18 years, 2010	15.9%	25.0%	Persons below poverty level, 2012-2016	4.6%	13.3%
Persons 65 years and over, 2010	9.0%	11.4%	Median value of owner-occupied housing units, 2012-2016	\$1,166,800	\$409,300
Female persons, 2010	47.3%	50.3%	Housing units in multi-unit structures, 2017	40.4%	33.1%
Bachelor's Degree or higher, persons age 25+, 2012-2016	73.5%	32.0%	High School graduate or higher, persons age 25+, 2012-2016	99.1%	82.1%

The U.S. Census Bureau Quick Facts are as of November 2017. Further data regarding the City may be found in the Statistical Section.

The annual budget serves as the foundation for the City of Hermosa Beach's financial planning and control and is based on the Strategic Plan adopted by the City Council. All departments of the City of Hermosa Beach are required to submit requests for appropriation to the City Manager according to a budget calendar. The City Manager uses these requests as the starting point for developing a proposed budget, which is presented to the City Council for review by May 15. At least one public budget workshop is held prior to the required public hearing, with adoption required no later than June 30. If the City Council fails to adopt a budget by that date, the budget submitted by the City Manager, as amended by the City Council, if applicable, is the appropriated budget except for capital improvement outlays. The appropriated budget is prepared by fund and department (e.g., Police Department). The City Manager may make transfers of appropriations between departments within each fund; transfers of appropriations between funds, however, require the approval of the City Council. The City Council receives monthly revenue and expenditure reports during the year and a midyear budget review is conducted after the first six months of the fiscal year to ensure estimates are on target. Budget-to-actual comparisons are provided in this CAFR for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major governmental funds with appropriated annual budgets, this comparison is presented as Required Supplementary Information on page 118-143. For non-major governmental funds with appropriated annual budgets, this comparison is presented as Supplementary Information, after the Notes to the Financial Statements.

### Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Hermosa Beach operates.

**Local economy.** Hermosa Beach is a "bedroom community" as evidenced by a household count of +10,000 and an in-city business count of under 1,000 (excluding apartments and home occupations). Hermosa Beach had growth of 7.4% in secured and unsecured assessed valuation, as compared to 6.0%

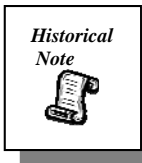
for Los Angeles County. The 7.4% growth was the 9th highest of 88 cities in Los Angeles County. Median home prices in Hermosa Beach as of June 2018 were \$1,740,000, compared to \$615,000 for Los Angeles County. The Hermosa Beach median home price for June 2017 was \$2,025,000, compared to \$597,000 for Los Angeles County. The average median home price for Hermosa Beach for fiscal year 2017-18 was \$2,026,432 and \$1,830,667 for fiscal year 2016-17. Home values adjacent to the beach increased for the eighth year in a row after declining 2009-2011.

As a beach city, the three highest occupations continue to be management, sales, and administrative support, however residents enjoy access to a much more diverse employment base with the close proximity of all of the other cities in Los Angeles County. The unemployment rate in Hermosa Beach is 2.2%, compared with 4.8% for Los Angeles County, and 4.5% for California as of June 2017.

General Fund Secured property taxes increased 8% in 2017-18, consistent with growth in assessed values. Historically, property adjacent to the beach has held its value better and has grown faster as compared to property in the other areas. Sales tax receipts for 2017-18 are up 12% primarily due to increases in the Eating/Drinking Places and Building Materials category.

Transient occupancy tax (the tax on hotel stays) grew 1.8% over 2016-17. Receipts of almost \$3.3 million are the highest level ever. The TOT tax rate increased from 10% to 12% on January 1, 2016 as a result of an initiative placed on the ballot by residents. Average occupancy for 2017-18 was 81.4% for Hermosa Beach which is consistent with last year's rate. Hermosa Beach has eight hotels and one youth hostel, with rooms capacity ranging from 17 rooms to 96 rooms.

Utility user tax (UUT) revenue was down 3% last year but is still the fourth highest source of tax revenue at \$2.2 million. The largest source of the decrease was overall phone service.



*Since the City was successful in obtaining voter approval (72%) for adoption of a modern UUT ordinance in November 2007, revenue is protected as technology changes occur. The ballot measure was intended to be revenue-neutral, in that the video and telecom rate was reduced from 6% to 5.5% to offset any new revenue received from new technology in those areas. The UUT as a source of revenue has been very reliable.*

**Accounting changes.** In 2014-15 the City implemented Government Accounting Standards Board (GASB) Statement No 68, Accounting and Financial Reporting for Pensions, which required net pension liabilities to be included in the financial statements for the first time, and Statement No 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, which was essentially a cleanup provision. Net pension liabilities of \$49,464,514 were recorded in 2017-18 and the unrestricted net position was reduced accordingly. The change in accounting standards impacted only the government-wide financial statement, notes, and required supplemental information. There is no impact to the fund financial statements.

In 2017-18 the City implemented GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, effective July 1, 2017, which requires net OPEB liabilities to be included in the financial statements for the first time. Prior year balances were restated to reflect the impact. GASB 75 updates Other Postemployment Benefit (OPEB) accounting and financial reporting standards to be consistent with the pension standard in GASB 68. Similar to GASB 68, the change in accounting standards impacted only the government-wide financial statement, notes, and required supplemental information. There is no impact to the fund financial statements. See Note 10 for more information.

As a matter of record, the following GASB statements are effective for the June 30, 2018 financial statements, but have no impact. GASB Statement 81, Irrevocable Split-Interest Agreement, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. GASB Statement 85, Omnibus 2017, addresses issues that have been identified during the implementation and application of

certain GASB Statements. GASB 86, Certain Debt Extinguishment Issues, requires that debt be considered defeased when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. For more information see Note 1, Section Q- Accounting Changes.

**National/State Economy.** As of November 2017, the Legislative Analyst's Office states that the State budget is in remarkably good shape. Estimates project that the state would have \$14.5 billion in the constitutional reserve at the end of 2019-20. They do warn, however, in the next paragraph, that change can occur quickly. They cite the example at the end of 2000 when the State's outlook was that the State's position was very strong and yet, as a result of the dot-com bust and the ensuing recession in 2001, state revenues declined precipitously and the surplus turned into a deficit of \$12.4 billion for the upcoming year. As always, the LAO points out that there are likely challenges, such as decisions by the federal government that may affect the state, potential pension cost increases, and natural disaster costs, all which could impact the State's position. Beacon Economics reports in their Fall 2018 forecast that even though the U.S. is on the edge of the longest economic expansion in the nation's history, that has not dampened their latest forecast. Christopher Thornberg says "There is simply nothing out there at the moment, whether it is the selloff in the stock market or rising interest rates, that has power or speed to knock the expansion of its track."

With respect to California's economy, Beacon's Executive Director of Research, Robert Kleihenz, indicates that the newly elected governor will inherit a state economy that is in good shape right now. To ensure its future economic vitality, California will need sustained labor force growth, which means providing the education and training residents' need for the 21<sup>st</sup> Century economy, and ensuring workers can afford to live here by addressing the state's housing problems.

**California Public Employees Retirement System (CalPERS).** The preliminary CalPERS investment return as of June 2018 was 8.6% and the funded status of the overall CalPERS fund increased by 3% from the previous year to 71%. This estimate is based on a 7% discount rate.

In 2014-15, CalPERS Board adopted a funding risk mitigation policy to incrementally lower the discount rate (assumed rate of return) in years of good investment returns. The risk mitigation policy was subsequently suspended until the 6/30/18 valuation (FY 2020-21).

The policy is implemented gradually (by a minimum of .05 percentage points to a maximum of .25 percentage points when investment returns outperform the existing discount rate of 7.5% by at least two percentage points). The policy is intended to offset increased employer contribution rates that would otherwise increase when the discount rate is lowered and help pay down CalPERS unfunded liability.

On December 20, 2016, the CalPERS Board approved a change in the discount rate from 7.5% to 7% over three years. This action does not impact rates until 2018-19. This change is expected to increase employer rates 1% to 3% for miscellaneous plans and 2% to 5% for safety plans. Additionally employers will see an increase in their current unfunded liability payments. Our independent actuary indicates however, that the change for the first year will have minimal impact, which is good news. The City's miscellaneous and safety plans have side funds (which are liabilities that existed in 2003 when CalPERS "pooled" the City's plans with other cities of similar size) that are paying off from 18-19 to 19-20 and will help mitigate the rate increases.

The City created a Retirement Stabilization Fund in 2003-04 to plan for anticipated rate increases. This amount now appears as part of the "committed" balance in the General Fund in the amount of \$1,000,000.

**Long-term financial planning.** Prior to 2017-18, the City's adopted financial policies addressed a range of items including accounting and reporting, internal controls, budget, revenue, debt service and investments. The policies are published in the budget and reviewed annually.

The City Council's adopted financial policies relating to long-term financial planning for specific funds are as follows:

Insurance Fund—Goal of \$3,000,000 in net assets for aberrations in claims reserves and catastrophic losses.

Equipment Replacement Fund—Goal of net assets equal to the accumulated amount calculated for all equipment, based on replacement cost and useful life of equipment.

Contingency—Goal equal to 16% of the General Fund appropriations for economic uncertainties, unforeseen emergencies.

Compensated Absences—Goal equal to 25% funding for accrued liabilities for employee vacation, sick and compensatory time.

The City also has a financial policy of transferring funds unspent in the General Fund at year-end to the Insurance Fund, Equipment Replacement Fund, Capital Improvement Fund and to add to Contingency Funds as needed. The City Council makes changes as necessary to the year- end transfer, depending on the equity in the funds or based on other needs.

The transfer for 2017-18 was \$1,577,889 to the Insurance Fund, per Council direction at the 2018-19 Budget Review. Funds were transferred to the Insurance Fund since the net position in that fund has decreased as a result of several settlement payments made in 2017-18. With the transfer, the balance in the Insurance Fund of \$2,516,161, is closer to our adopted goal of \$3,000,000.

Historically as part of the budget process, a five year financial forecast is developed and presented with the Preliminary Budget and Three to Five-Year Capital Improvement Program. The Fiscal Health Model is used as part of the forecast to present scenarios depicting the city's ability to fund each scenario.

**Financial plan/five year forecast.** A new Financial Plan, combined with the Five-Year Forecast was presented to City Council on June 6, 2018 with recommendations that the City utilize master plans presented in October 2017 to guide infrastructure planning for sewer, storm water and pavement management projects; establish a practice of evaluating the prepayment of retirement contributions annually; add a new Reserve for Capital Facilities funded by year-end fund transfers from unspent funds in the General Fund; utilize the CalPERS side fund payoff savings toward stabilizing retirement rates, with funds deposited into a retirement trust which restricts the use for that purpose only; place the \$1 million Retirement Stabilization Fund into the retirement trust to earn a greater return; move to a level dollar payment for Fire CalPERS plans starting in 2018-19 since the City has now contracted with the County of Los Angeles for fire services; approve the recommended additional financial policies and consider increases to restaurant encroachment fees, street sweeping violations, and parking citation late fees. All recommendations were approved except for increases to restaurant encroachment fees and parking citation fines which will come back separately. The City is planning to have a revenue workshop to review many sources of revenue, including those, in advance of the 2019-20 Budget.

Primary capital projects coming up, (other than street and sewer improvements, which occur every year) include the Citywide Park Master Plan, Storm Water/Urban Runoff Diversion Project, 8<sup>th</sup> Street Improvements, ADA Improvements, Downtown Strategic Plan Implementation, Restroom Improvements (Clark Field, South Park, Pier, Fort Lots-of-Fun, and Seaview Parkette), New Corporate Yard Facility, Municipal Pier Structural and Electrical Repairs, Community Center General Improvements- Phase III, and Clark Building Renovations.

**Cash management policies and practices.** Temporarily idle cash was invested during the year in obligations of the U.S. Treasury, corporate notes, certificates of deposit, the State Treasurer's investment pool and the Los Angeles County pool. The average maturity was 60 months, with an average weighted yield on investments of 2.1% Investment income includes changes in the fair value of investments.

Changes in fair value during the current year, however, do not necessarily represent trends that will continue nor do such amounts necessarily become realized, since the City intends to hold the investments to maturity.

**Risk management.** The City is self-insured up to \$250,000 for liability claims. Excess coverage up to \$20 million is obtained through the Independent Cities Risk Management Authority (ICRMA), a joint powers authority consisting of medium-sized California municipalities. The cost of the insurance depends on both the loss experience of member cities and the loss experience of the City.

The City purchases workers' compensation coverage through a self-insured program available through ICRMA. The City maintains a \$500,000 self-insured retention limit and participates in a self-insured risk sharing pool through the ICRMA, with excess coverage through Safety National Casualty Co., providing coverage up to the statutory limits.

Claims defense and settlement are coordinated by third party administrators for both liability and worker's compensation, with oversight by the Human Resources Manager.

Additional information on the City's risk management activity can be found in Note 8 of the notes to the financial statements.

**Pension and other post-employment benefits.** The City provides pension benefits to safety and non-safety employees through the California Public Employees Retirement System (CalPERS). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The City was successful in negotiating two tier rates for new employees in all bargaining units beginning in 2011-12. With the State's pension reform implemented 1/1/13, the City now has three tiers. As of June 30, 2018, the City has nineteen (19) active Tier 2 employees and sixty-six (66) active employees in Tier 3. The City paid employee contributions as a negotiated benefit for many years however in 2012-13 the City negotiated that employees would begin paying the entire share of the employee contribution over three years with an offsetting increase in salaries, which was achieved as of 2014-15. All of these changes enacted reduce pension costs over time. City employer contributions are actuarially determined on an annual basis.

The City also provides post-employment health care benefits for certain retirees. As of the end of the current fiscal year, there were 62 retirees receiving these benefits.

The City established a trust with an outside party to administer these funds in July 2007. The City is contributing the annual required contribution for all employees as determined by an actuarial study in the manner as is done for retirement contributions to CalPERS. As mentioned under Financial Plan, a retirement trust was approved by City Council in June 2018.

Additional information on the City of Hermosa Beach's pension arrangements and other post-employment benefits can be found in Notes 9 and 10 in the Notes to the Basic Financial Statements.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a 2017 Certificate of Achievement for Excellence in Financial Reporting to the City of Hermosa Beach for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the twenty-eighth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a report must be published that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to the City Manager and all of the departments, including the City Clerk and City Treasurer, and to our auditors,

The Pun Group, LLP, for their assistance and support in preparation of the report. Credit also must be given to the Mayor and the City Council for their continuing support for maintaining the highest standards of professionalism in the management of the City of Hermosa Beach's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Viki Copeland", written in a cursive style.

Viki Copeland  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Hermosa Beach  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

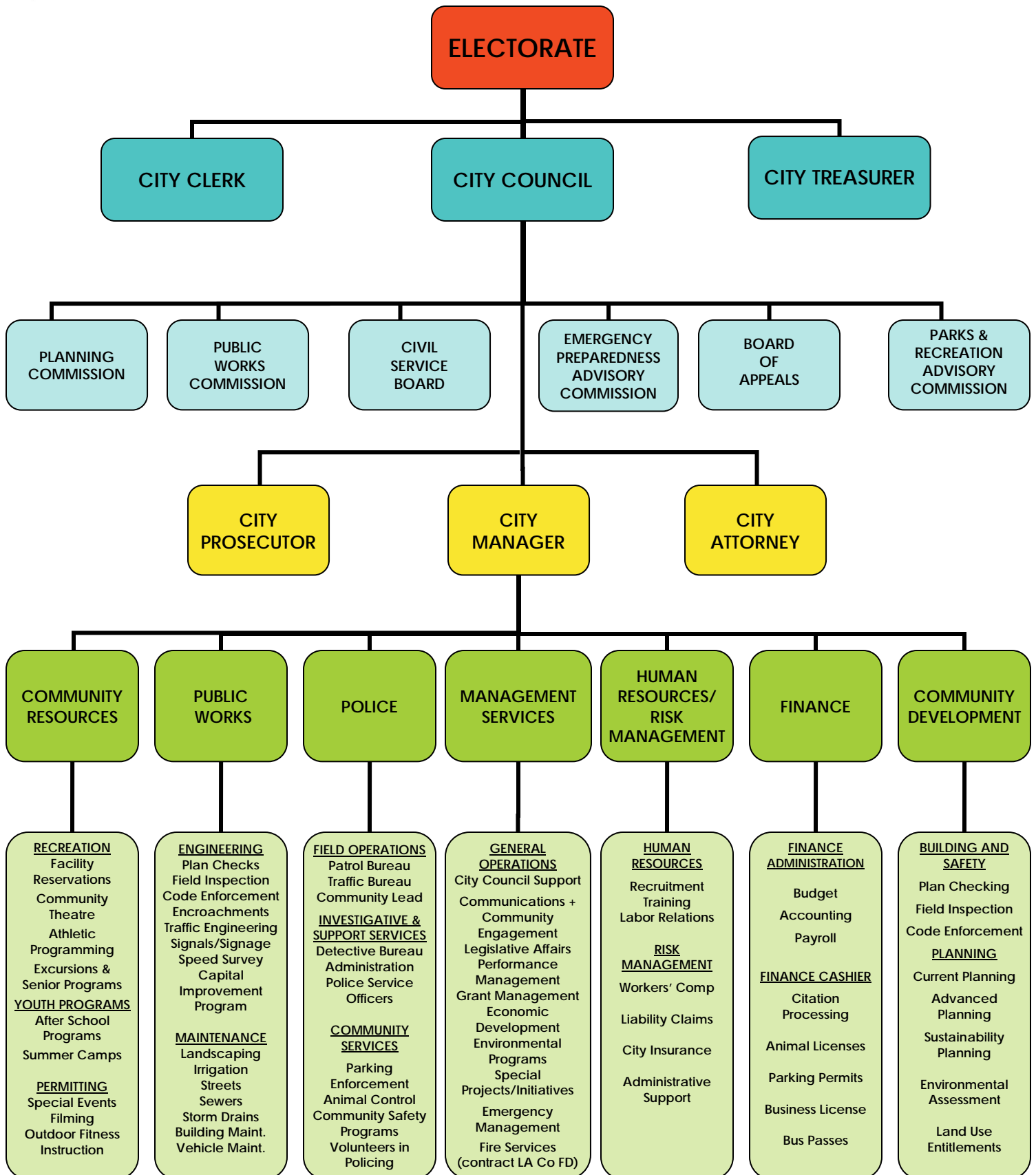
**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



# CITY OF HERMOSA BEACH ORGANIZATIONAL CHART





## PRINCIPAL OFFICIALS OF THE CITY OF HERMOSA BEACH, CALIFORNIA

June 30, 2018

### Elected and Administrative Officials

#### City Council

Jeff Duclos  
Stacey Armato  
Mary Campbell, PhD  
Hany Fangary  
Justin Massey

Mayor  
Mayor Pro Tempore  
Councilmember  
Councilmember  
Councilmember

#### Other Elected Officials

Karen Nowicki  
Elaine Doerfling

City Treasurer  
City Clerk

#### Administrative Officials

John Jalili  
Ken Robertson  
  
Kelly Orta  
  
Viki Copeland  
Vanessa Godinez  
  
Sharon Papa  
Glen Kau

Interim City Manager  
Community Development  
Director  
Community Resources  
Manager  
Finance Director  
Human Resources  
Manager  
Police Chief  
Public Works Director

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Hermosa Beach  
Hermosa Beach, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hermosa Beach, California (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**200 East Sandpointe Avenue, Suite 600, Santa Ana, California 92707**

**Tel: 949-777-8800 • Fax: 949-777-8850**

**[www.pungroup.com](http://www.pungroup.com)**

***Emphasis of Matter***

***Implementation of GASB Statement No. 75***

As discussed in Note 1 to the Basic Financial Statements, the City implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The adoption of this standard required retrospective application of previously reported net position as of July 1, as described in No 14 to the financial statements. In addition, the net other postemployment benefit (OPEB) liability is reported in the Statement of Net Position in the amount of \$591,000 as of the measurement date. Net OPEB Liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2017, the measurement date. Our opinion is not modified with respect to this matter.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Budgetary Comparison Schedule-General Fund, Budgetary Comparison Schedule-Sewer Special Revenue Fund, Budgetary Comparison Schedule-Capital Improvements Capital Projects Fund, Schedule of Proportionate Share of the Net Pension Liability and Related Ratios, Schedule of Contributions - Pension, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of City’s Contribution - OPEB on pages 7 to 17 and 91 to 96, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council  
of the City of Hermosa Beach  
Hermosa Beach, California  
Page 3

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
December 28, 2018

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Independent Auditors' Report**

To the Honorable Mayor and Members of the City Council  
of the City of Hermosa Beach  
Hermosa Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hermosa Beach, California (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon December 28, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Honorable Mayor and Members of the City Council  
of the City of Hermosa Beach  
Hermosa Beach, California  
Page 2

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The PwC Group, LLP*

Santa Ana, California  
December 28, 2018



## Management's Discussion and Analysis (Unaudited)

As management of the City of Hermosa Beach, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Hermosa Beach for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages v - xii of this report.

### Financial Highlights

- Beginning with the fiscal year ended June 30, 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension, which requires the City to include its net other postemployment benefits (OPEB) liability in the government-wide financial statements for the first time. The July 1, 2017 beginning balance was restated to reflect the impact. Similar to the City's long-term debt, the net OPEB liability is payable over an extended time horizon and does not represent a claim on current financial resources. For more information on the implementation of GASB 75, please refer to Note 10 and Note 14 in the Notes to the Basic Financial Statements.
- The assets and deferred outflows of resources of the City of Hermosa Beach exceeded its liabilities and deferred inflows of resources at the close of the last fiscal year by \$60,975,161 (net position). Excluding the \$49,464,514 net pension liability and \$591,000 net OPEB liability, \$37,418,687 represents unrestricted net position and may be used to meet the government's ongoing obligations.
- The City's net position increased by \$854,504.
- As of June 30, 2018, the City of Hermosa Beach's governmental funds reported combined ending fund balances of \$31,475,519 an increase of \$3,047,175 in comparison with the prior year. This increase is primarily due to a 6.8% increase in revenue, while expenditures only increased by 2.7% over prior year.
- At the end of the current fiscal year, the City of Hermosa Beach's governmental fund balances of \$31,475,519 are comprised of non-spendable funds; \$487,759, restricted; \$7,848,225, committed; \$2,289,384; and assigned; \$20,850,151, to indicate that funds are not available for new spending. Although funds are shown in the committed or assigned category, the City Council still does have discretion over the use of these funds and may change the committed or assigned use. Under that scenario, approximately 74%, or \$23,139,535 of the \$31,475,519 in funds could be redirected at the discretion of the City Council. See Note 11 in the Notes to the Basic Financial Statements.
- After the City Council approved a transfer of \$1,577,889 from the General Fund to the Insurance Fund, the committed and assigned fund balance in the General Fund was \$9,574,775 or 27% of total General Fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Hermosa Beach's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** are designed to provide readers with a broad overview of the City of Hermosa Beach's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all of the City of Hermosa Beach's assets plus deferred outflows or resources ("DOR") and liabilities plus deferred inflows of resources ("DIR"), with the difference between the assets plus DOR and liabilities plus DIR reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Hermosa Beach is improving or deteriorating.

The **Statement of Activities** presents information showing how the government's net positions changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

The governmental activities of the City of Hermosa Beach include legislative and legal, general government, public safety, public works, community development, and culture and recreation.

The government-wide financial statements include not only the City of Hermosa Beach itself, but also the Lighting and Landscaping District, the Lower Pier Avenue Assessment District and the Myrtle Avenue, Loma Drive, Bayview Drive and Beach Drive Utility Underground Districts. Although these entities are legally separate, they function for all practical purposes as part of the City, and therefore have been included as an integral part of the primary government.

The Government-Wide Financial Statements can be found on pages 22-25 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Hermosa Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Hermosa Beach maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the following funds, which are considered to be a major fund:

**General Fund  
Sewer Special Revenue Fund  
Capital Improvement Capital Projects Fund**

Major funds are governmental or enterprise funds whose revenues, expenditures/expenses, assets and DOR or liabilities and DIR are at least 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the corresponding total for all governmental and enterprise funds combined.

Data from the other twenty-six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Supplementary Information section in this report.

The City of Hermosa Beach adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund, Sewer Special Revenue Fund, and Capital Improvement Capital Projects Fund in the Required Supplementary Information section to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 31-34 of this report.

**Proprietary funds.** The City of Hermosa Beach maintains one type of proprietary fund.

**Internal service funds** are used to accumulate and allocate costs internally among the City of Hermosa Beach's various functions. The City of Hermosa Beach uses internal service funds to account for its fleet of vehicles, information systems and equipment, and risk management/insurance activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within **governmental activities** in the government-wide financial statements.

Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 37-39 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Hermosa Beach's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Funds of the Lower Pier Avenue, Myrtle Avenue, Loma Drive, Bayview Drive, and Beach Drive Undergrounding Districts are held as fiduciary funds.

The fiduciary fund financial statements can be found on page 43 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-85 of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Hermosa Beach's major funds. Required supplementary information can be found on pages 89-96 of this report.

**Other supplementary information.** The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Other supplementary information can be found on pages 104-153 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2018, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$60,975,161. Without the net pension liability of \$49,464,514 and OPEB liability of \$591,000, the net position would be \$111,030,675.

The City implemented GASB 68, Accounting and Financial Reporting for Pensions for the June 30, 2015 financial statements and GASB 75, Accounting and Financial Reporting for Postemployment Benefits, for June 30, 2018 financial statements. These statements require the City to include its net pension and OPEB liabilities in the government-wide financial statements for the first time. Similar to the City's long-term debt, the net pension and OPEB liabilities are payable over an extended time horizon and do not represent a claim on current financial resources. The statements implement changes to accounting and reporting; they do not apply to the way pensions or other postemployment benefits are funded. For more information on the implementation of GASB 68 and 75, please refer to Notes 9 and 10 in the Notes to the Basic Financial Statements.

While the city is now required to show the net pension and OPEB liabilities in the government-wide statements, according to the Governmental Finance Officers Association (GFOA) the underlying factual situation has not changed. Standard and Poor's (the rating agency who rated the City's bonds in 2015 at AA+) indicated that GASB 68 will lead to more conservative liability estimates and provide some additional disclosure. They will continue to focus on commitment to funding, investment performance, trend analysis, affordability, and maintaining plan sustainability. The Annual Required Contribution (ARC) for pension will continue to be reported as the Actuarially Determined Contribution. Standard and Poor's believes this is an easily recognizable and understandable measure for governments. They currently estimate with what frequency governments fully fund their ARC (which Hermosa Beach does 100% of the time).

The major components of GASB 68 and GASB 75 that affect the Statement of Net Position for Government-wide are:

- **Deferred Outflows of Resources-** Includes the deferred pension and OPEB contributions, which are equal to the total amount of the 2017-18 contributions. The contributions are deferred to 2018-19 because the net liability balance is one year in arrears. Also included are changes in assumptions, the difference between projected and actual investment earnings and the difference between the employer contributions and the employer's proportionate share of contributions (for pensions).
- **Net Pension and Net OPEB Liabilities (recorded in Long-Term Liabilities) -** Represents the actuarially valued liabilities plans as of June 30, 2017.
- **Deferred Inflows of Resources-** Includes changes in assumptions, the difference between the expected and actual earnings on investments (amortized on a straight-line basis over five years), changes in employer's proportion (for pensions), and differences between employer contributions and the employer's proportionate share of contributions (for pensions).

<b>Net Position</b> <b>June 30, 2018</b> <b>(dollars in thousands)</b>		
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Current and Other Assets	\$ 51,549	\$ 48,318
Capital Assets	66,333	66,980
Total Assets	117,882	115,298
Deferred Outflows of Resources	18,175	15,084
Current Liabilities	6,414	7,475
Noncurrent Liabilities:		
Net Pension Liability	49,465	45,082
Net OPEB Liability	591	-
Long-term Liabilities- Other	16,643	16,823
Total Liabilities	73,113	69,380
Deferred Inflows of Resources	1,969	2,611
Net Position:	60,975	58,391
Net Invested in Capital Assets	66,333	66,417
Restricted	7,279	5,261
Unrestricted	(12,637)	(13,287)
Total Net Position	60,975	58,391
Impact of Restatement for GASB 75	-	1,730
Restated Net Position	\$ 60,975	\$ 60,121

\*See Note 14 for prior period adjustment.

The largest portion of the City of Hermosa Beach's net position, \$66,333,070 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City of Hermosa Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the City of Hermosa Beach's net position, \$7,278,918 represents resources that are subject to external restrictions on how they may be used.

Compliance with GASB 68 and GASB 75 require that the City's net pension and OPEB liabilities are recorded on the Statement of Net Position, which reduces unrestricted net position and creates a negative unrestricted net position or deficit of (\$12,636,827). Excluding the \$49,464,514 net pension liability and \$591,000 net OPEB liability, \$37,418,687 is available to meet the City's ongoing obligations to residents.

At June 30, 2018, the City is able to report positive balances in all categories of net position for the government as a whole except for unrestricted due to the implementation of GASB 68 and the inclusion of the net pension liability, which will likely remain a long-term liability for several decades. The following is the condensed Statement of Activities and Changes in Net Position for the fiscal years ending June 30, 2018 and June 30, 2017.

**Governmental Activities.** Governmental activities increased the City of Hermosa Beach's net position by \$854,504. Significant elements of this change are as follows:

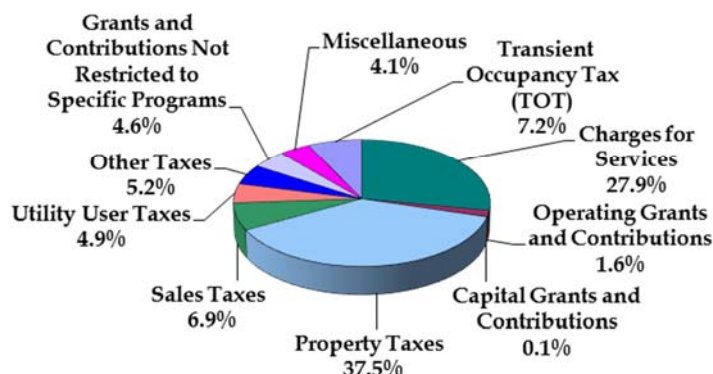
<b>Changes in Net Positions</b> <b>June 30, 2018</b> <b>(dollars in thousands)</b>		
	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Revenues:		
Program Revenues:		
Charges For Services	\$ 12,709	\$ 12,807
Operating Grants and Contributions	712	602
Capital Grants and Contributions	28	328
General Revenues:		
Property Taxes	17,098	15,714
Other Taxes	11,029	10,747
Grants and Contributions Not		
Restricted to Specific Programs	2,093	1,305
Other	1,890	565
<b>Total Revenues</b>	<b>45,559</b>	<b>42,068</b>
Expenses:		
Legislative and Legal	1,870	2,044
General Government	4,129	3,599
Public Safety	25,496	18,912
Community Development	2,264	1,787
Culture and Recreation	1,770	1,311
Public Works	9,176	7,957
<b>Total Expenses</b>	<b>44,705</b>	<b>35,610</b>
Increase (Decrease) in Net Position	854	6,458
Net Position	\$ 60,975	\$ 51,933
Impact of Restatement for GASB 75*		1,730
<b>Net Position - Ending</b>	<b>\$ 60,975</b>	<b>\$ 60,121</b>

\*See Note 14 for prior period adjustment.

#### Revenue for Governmental Activities

- Charges for services decreased by \$98,584 or .8% primarily due a decrease in the utility trench service connect permit fees from prior year. There was an increase in permit fees in 2016-17 due to work performed by Southern California Edison.
- Property tax revenue increased \$1,383,618 or 8.8%, which is in line with continued growth in property values.
- Sales Tax revenue increased by \$264,909 or 9.2%. Sales tax revenue is up 9.2% from 2016-17 primarily due to increases in the Eating and Drinking Places under the Retail Group and the overall Manufacturing and Wholesale Group. The primary change in the Manufacturing and Wholesale Group is due to a home occupation business for computer sales.
- Transient Occupancy Tax (TOT) revenue increased \$58,181 or 1.8%. Reported occupancy rates were consistent at 81.4% in 2017-18 compared to 81.5% for 2016-17.
- Utility User Tax was down by \$72,118 or 3.1% and revenue from other taxes not listed separately was down \$38,038 or 1.6%.

## Revenue by Source - Government Activities



Revenues:	2018	2017
Property Taxes	\$ 17,097,712	\$ 15,714,094
Charges for Services	12,708,868	12,807,452
Transient Occupancy Tax (TOT)	3,295,207	3,237,026
Sales Taxes	3,151,207	2,886,298
Other Taxes	2,353,287	2,391,325
Utility Users Taxes	2,229,906	2,302,024
Grants & Contributions not Restricted to Specific Programs	2,093,173	1,304,880
Miscellaneous	1,890,404	564,798
Operating Grants & Contributions	712,612	601,816
Capital Grants & Contributions	27,821	327,534
<b>Total Revenues</b>	<b>\$ 45,560,197</b>	<b>\$ 42,137,247</b>

### Expenses for Governmental Activities

Expenses for Governmental Activities increased by 25.5%. The increase in expenses without the recording of pensions and OPEB is 3%.

Legislative and Legal expenses decreased by \$174,141 or 8.5%. The decrease is primarily due to a decrease in legal fees in 2017-18. Legal fees were up in 2016-17 due to oil and short-term vacation rental litigation.

General Government expenses increased by \$530,757 or 14.7%. The increase is primarily due to the GASB 68 and 75 recording of the department's share of the pension and OPEB obligation adjustments. See Notes 9 and 10 for further information. Without these adjustments, the general government expenses would have been \$28,362 higher than prior year.

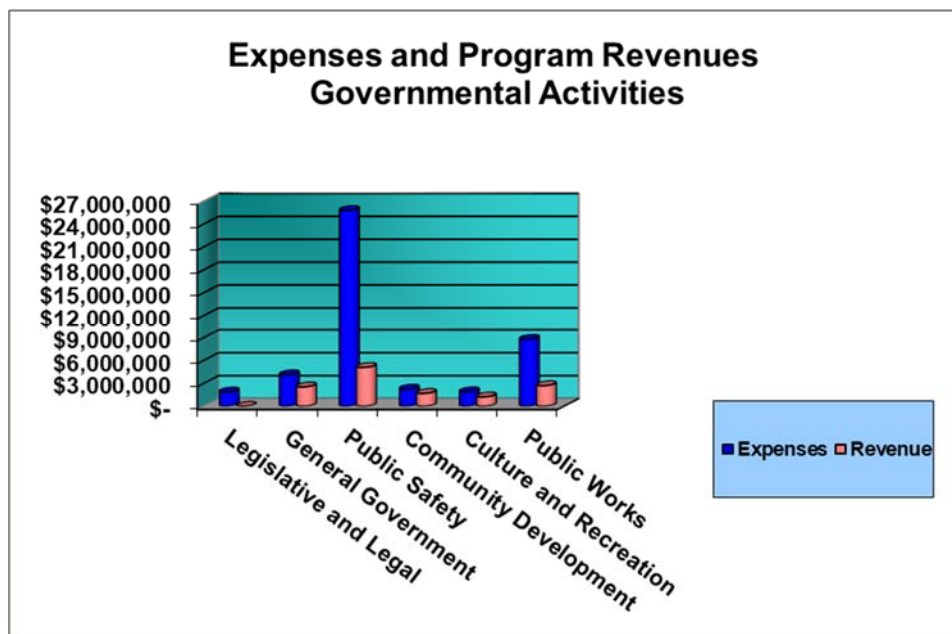
Public Safety expenses increased by \$6,584,664 or 34.8%. The increase is primarily due to the GASB 68 and 75 recording of the department's share of the pension and OPEB obligation adjustments. See Notes 9 and 10 for further information. Without these adjustments, the public safety expenses would have been \$75,772 higher than prior year.

Community Development costs increase by \$476,651 or 26.7%. The increase is primarily due to the GASB 68 and 75 recording of the department's share of the pension and OPEB obligation adjustments. See Notes 9 and 10 for further information. Without these adjustments, Community Development costs would have been up \$165,217 primarily due to personnel costs. The allocation of the full-time permanent Code Enforcement Officer/Fire

Inspector position changed from a 50-50 split between the Fire Department and Community Development to 100% for Community Development in 2017-18. Community Development staff (the Building and Code Enforcement Official, Community Development Director, and Planning Manager) were no longer allocated time to the Source Reduction/Recycling Program in 2017-18. There were staffing vacancies in the Assistant and Associate Planner positions in the previous year, which made costs appear higher for 2017-18.

Culture and Recreation expenses increased by \$459,153 or 35%. The increase is primarily due to the GASB 68 and 75 recording of the department's share of the pension and OPEB obligation adjustments. See Notes 9 and 10 for further information. Without these adjustments, the culture and recreation expenses would have been up \$51,081 primarily due to an increase in part-time/temporary personnel costs. Hourly rates for part-time/temporary personnel were adjusted January 1, 2018 to align with the minimum wage increase. Additionally two new Recreation Specialists were hired during Monday –Thursday office hours, in place of utilizing Recreation Leaders, and the role of Lead Youth Programs Counselor was filled.

Public Works expenses increased by \$1,219,477 or 15.3%. The increase is primarily due to the GASB 68 and 75 recording of the department's share of the pension and OPEB obligation adjustments. See Notes 9 and 10 for further information. Without these adjustments, the difference would be an increase of \$236,877 primarily due to higher personnel, contract services, and utility costs. The Associate Engineer position was filled a full year in 2017-18 in comparison to 6 months in 2016-17. There were also increased part-time/temporary hours for the Public Works Intern and Inspector positions over 2016-17. Both part-time positions were added in 2016-17. Contract services increased due to a new landscape maintenance contract, professional services related to the municipal separate storm sewer systems (MS4) permit implementation and clean bay inspection program, and citywide sweeping, steam cleaning and porter services.



### Financial Analysis of the Government's Funds

As noted earlier, the City of Hermosa Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Hermosa Beach's governmental funds is to provide information on near-term inflows, outflows, and balances of spending resources. Such information is useful in assessing the City of Hermosa Beach's financing requirements. These funds are accounted for by using the modified accrual basis of accounting. Types of governmental funds reported by the City include the General Fund, Special Revenue funds, and Capital Projects funds.



As of the end of the current fiscal year, the City of Hermosa Beach's governmental funds reported combined ending fund balances of \$31,475,519 an increase of \$3,047,150, in comparison with the prior fiscal year. See Note 11 for more information. The total fund balances of the governmental funds consist of the following:

- Non-spendable fund balance of \$487,759 represents prepaid items.
- Restricted fund balance of \$7,848,225 which have restrictions imposed by external parties or enabling legislation. Funds in this category include Lighting District Funds, Proposition A and C Transportation Funds, Measure R and M Funds, Asset Forfeiture Funds, Supplemental Law Enforcement Funds (COPS), and Storm Drain Funds.
- Committed fund balance of \$2,289,384 which includes retirement stabilization funds and reserves for capital outlay and future renovations.
- Assigned fund balance of \$20,850,151 which includes the amounts to be used for specific purposes of the City, but do not meet the criteria to be classified as restricted or committed. Funds in this category include Contingency funds ("rainy day" funds), Compensated Absences funds, Capital Projects, Capital Improvements, and Sewer funds.

The General Fund, Sewer Special Revenue Fund, and Capital Improvement Capital Projects Fund qualified as major funds under the GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*, reporting criteria.

The General Fund balance decreased in 2017-18 by \$157,786. While the fund balance increased for prepaid items (due to the timing of the monthly payment for fire services) and contingencies ("rainy day" funds), there was a decrease in funds assigned for Public Works Capital Improvement Projects. In keeping with the City's financial policy to use restricted funds first, the City Council approved at the June 12, 2018 Budget Hearing that prior year funding be changed from unrestricted General, Tyco (undersea cable), and Capital Improvement Funds to restricted funding sources, where available.

Overall General Fund revenue increased by 2.2%. The increase is a result of the following: additional property tax revenue of 8.4%; sales tax increase of 9.2%; a decrease in other tax revenue of 9.5%; a decrease in licenses and permits of 18.6%; a decrease in fines and forfeitures of 7.2%; a decrease in use of money and property of 1.4%; an increase in intergovernmental revenues of 1.4%; an increase in charges for services of 2.9%, an increase in miscellaneous revenue of 40%; and increase in interest earned on investments. In 2017-18, \$700,000 in UUT was recorded as revenue in the Storm Drain Special Revenue Fund instead of a transfer from the General Fund for financial statement reporting purposes. Without this adjustment, overall General Fund revenue would have increased by 4.0% instead of 2.2% and other tax revenue would have decreased by .7% instead of 9.5%. Miscellaneous Revenue increased over prior year due to an adjustment made in 2016-17 to record unrealized losses on investments.

General Fund expenditures show an increase of 1%. The increase is primarily due to Public Works, Community Development, and Culture and Recreation for the aforementioned reasons under the Expenses for Governmental Activities heading.

## General Fund Budgetary Highlights

The final amended budget for revenue other than transfers did not increase over the original budget. Actual revenue was lower than the final budget by \$650,611 or 2% for the following reasons:

- Tax revenue collections were 1% over budget primarily due to conservative estimates for property tax, sales tax, and transient occupancy tax.
- Licenses and Permits were 38% under budget due to timing of building permit payments and a reduction in taxicab franchise fees due to a reduction in the franchise fee from \$1,100/cab to \$610/cab and a decrease in the number of cabs required per franchise. With new legislation passed regarding taxi franchises, the forecast for this revenue is uncertain.
- Fines and Forfeitures were down 6.9% due to staffing challenges, which also delayed the implementation of enforcement of late night hours.
- Current Service Charges were down 2.5% primarily due the timing of General Plan Maintenance Fees and In Lieu Parking Fees included in the 2017-18 Budget.

The final amended budget for appropriations other than Transfers Out is less than the original budget by 1%. The decrease was primarily due to lower than anticipated Fire Department expenditures from the first 6 months of the year, largely due to vacant positions. Several Capital Improvement Projects were also closed out with the midyear budget.

Actual expenditures other than Transfers Out were less than the final appropriations by 9% primarily due to capital improvement projects not completed in 2017-18 and staffing vacancies in the Police Department.

## Capital Asset and Debt Administration

**Capital assets.** The City of Hermosa Beach's net investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$66,333,070 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, highways, and monuments. The total investment in capital assets for the 2017-18 fiscal year is consistent with 2016-17. Capital asset additions during the year were offset by the sale of surplus Fire Department equipment resulting from the transition to County Fire services and depreciation.

Major capital asset events during the fiscal year included the following:

### Governmental Activities

- Street Improvements- Hermosa Avenue of \$440,104.
- Completion of Community Center Photovoltaic installation of \$240,338.
- Tree well grates and trash cans of \$111,126.
- Stormwater/Urban Run-Off Diversion Project of \$215,335.
- Sewer Improvements of \$147,247.
- Installation of playground equipment and parking lot improvements at South Park of \$154,032.
- Purchase of 9 vehicles, including 1 motorcycle.

Additional information on the City of Hermosa Beach's capital assets can be found in Note 6 on page 65 of this report.

## Insurance Fund

The City's established goal for net position in the Insurance Fund is \$3,000,000. Due to payouts of several settlements and the recording of year end claims liabilities, the balance at 6/30/18 was \$938,272. A year end transfer of unspent funds from the General Fund brought the 6/30/18 balance up to \$2,516,161.

## **Economic Factors and Next Year's Budgets and Rates**

- On April 25, 2017, the City Council voted to contract fire services in Hermosa Beach with the Los Angeles County Consolidated Fire District. The 2018-19 Budget includes the first full year with the County, equipment conversion costs, and the first of five annual payments for the renovation of the Fire Department facility. The 2018-19 Budget also includes the following:
- \$6,123,450 is committed for Contingency in the General Fund, which is 16% of operating expenditures and in line with our financial policy and the Council goal for a “Financially Sound City Government”.
- \$793,699 is transferred from the General Fund for the 2015 Lease Revenue Bonds debt service.
- \$16.4 million of Capital Improvement Projects are funded, which includes \$6.7 million in new funding.
- The City’s 5-Year Forecast for 2019-2024 projects retirement costs to decline in year one due to the Police Side fund payoff. The Miscellaneous side fund pays off in year two. The side funds were created by CalPERS for any unfunded liability that existed when the city was pooled with other cities in 2003. Years 3, 4, and 5 shows increases due to CalPERS lowering the discount rate (which increases employer rates). Council approved utilizing the savings from the side fund payoffs toward stabilizing the retirement rates.
- Healthcare benefits are assumed to increase 12% for medical. The actual rates are typically lower than the assumed increase.

## **Revenue Trends and Assumptions**

The 2018-19 Budget demonstrates continued strength in the local economy and a balanced budget, with funds reserved for the renovation of the City Yard, purchase of fourteen (14) vehicles, purchase of two hundred (200) smart parking meters to replace meters adjacent to the downtown area, additional porter and scrubbing services in the downtown area, update of the Zoning Ordinance to correspond with the General Plan, a new police canine, augmented information technology (IT) services, and funding for \$16.4 million in capital improvement projects, which includes funding for street improvements, a park master plan, restroom improvements, storm water/urban runoff diversion project, and projects to enhance energy efficiency. Added personnel include one Public Works Inspector converted from full-time temporary to full-time permanent. The budget also added one (1) part-time temporary position, Recreation Leader, as a “second” employee for security purposes on nights and weekends. One (1) part-time temporary Code Enforcement Officer was removed and replaced with a part-time temporary Senior Planner in order to allow full-time Community Development staff to focus on the zoning ordinance update and large scale, catalyst projects.

Hermosa Beach continues to have ongoing revenues exceed ongoing expenses. Revenue growth of less than 1% is anticipated in the 2018-19 Budget. There is growth in some revenue sources however it is offset by declines in other sources. Property tax is estimated to increase by 5%. Sales tax is estimated to be higher by 2.5% over 2017-18. Transient occupancy tax is estimated to continue at the 2017-18 level. Utility user’s tax is estimated to decline 2% from the 2017-18 budget estimate. Licenses and Permits are estimated to decline by 10% primarily due to building permit activity. Fines and Forfeitures reflect an increase of 3% due to the increase of enforcement hours and the anticipation of full staffing. If staffing issues occur again, part-time personnel will be used to supplement existing staffing.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Hermosa Beach’s finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 1315 Valley Drive, Hermosa Beach, CA 90254.

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# **BASIC FINANCIAL STATEMENTS**

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Hermosa Beach**  
**Statement of Net Position**  
**June 30, 2018**

	Primary Government Governmental Activities
<hr/>	
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 46,028,598
Accounts receivable	3,430,558
Property taxes receivable, net	647,943
Reimbursable grants receivable	346,240
Interest receivable on investments	30,342
Other assets	1,064,856
Total current assets	<u>51,548,537</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	25,942,503
Depreciable, net	40,390,567
Total capital assets, net	<u>66,333,070</u>
Total noncurrent assets	<u>66,333,070</u>
<b>Total assets</b>	<u>117,881,607</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related deferred outflows of resources	16,606,185
OPEB related deferred outflows of resources	1,569,000
<b>Total deferred outflows of resources</b>	<u>18,175,185</u>



**City of Hermosa Beach**  
**Statement of Net Position (Continued)**  
**June 30, 2018**

	Primary Government Governmental Activities
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	2,209,633
Accrued wages and benefits payable	800,426
Refundable deposits	297,263
Unearned revenue	50,402
Workers' compensation claims payable - due within one year	795,327
General liability claims payable - due within one year	339,112
Compensated absences - due within one year	1,466,050
Long-term debt - due within one year	455,764
Total current liabilities	<u>6,413,977</u>
Noncurrent liabilities:	
Workers' compensation claims payable - due in more than one year	4,302,925
General liability claims payable - due in more than one year	701,326
Compensated absences - due in more than one year	1,085,917
Long-term debt	10,552,512
Aggregate net pension liability	49,464,514
OPEB liability	591,000
Total noncurrent liabilities	<u>66,698,194</u>
<b>Total liabilities</b>	<u><u>73,112,171</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related deferred inflows of resources	1,659,460
OPEB deferred inflows of resources	310,000
<b>Total deferred inflows of resources</b>	<u><u>1,969,460</u></u>
<b>NET POSITION</b>	
Investment in capital assets	<u>66,333,070</u>
Restricted for:	
Capital projects	1,406,789
Street and sewer purposes	347,080
Transportation purposes	3,637,239
Public works	57,690
Public safety	829,888
Culture and recreation	178,641
Undergrounding districts	821,591
Total restricted	<u>7,278,918</u>
Unrestricted (Deficit)	<u>(12,636,827)</u>
<b>Total net position</b>	<u><u>\$ 60,975,161</u></u>

**City of Hermosa Beach**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues
Primary government:					
Governmental activities:					
Legislative and legal	\$ 1,869,599	\$ -	\$ -	\$ -	\$ -
General government	4,129,269	2,538,028	2,052	-	2,540,080
Public safety	25,496,398	4,958,292	131,191	2,293	5,091,776
Community development	2,264,015	1,696,505	-	-	1,696,505
Culture and recreation	1,769,893	1,223,789	58,127	-	1,281,916
Public works	9,176,519	2,292,254	521,242	25,528	2,839,024
Total governmental activities	\$ 44,705,693	\$ 12,708,868	\$ 712,612	\$ 27,821	\$ 13,449,301

**City of Hermosa Beach**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2018**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position
<b>Primary government:</b>	
<b>Governmental activities:</b>	
Legislative and legal	\$ (1,869,599)
General government	(1,589,189)
Public safety	(20,404,622)
Community development	(567,510)
Culture and recreation	(487,977)
Public works	(6,337,495)
Total governmental activities	<u>(31,256,392)</u>
<b>General Revenues:</b>	
Taxes:	
Property taxes	17,097,712
Sales taxes	3,151,207
Real property transfer tax	326,224
Franchise fees	722,316
Transient occupancy tax	3,295,207
Business license	1,061,130
Utility users tax	2,229,906
½ cent sales tax for public safety	233,291
Other taxes	10,326
Total taxes	<u>28,127,319</u>
Grants and contributions not restricted to specific programs	2,093,173
Miscellaneous	1,890,404
<b>Total general revenues</b>	<u>32,110,896</u>
<b>Change in net position</b>	854,504
<b>Net position - beginning of year, as restated (Note 14)</b>	<u>60,120,657</u>
<b>Net position - end of year</b>	<u><u>\$ 60,975,161</u></u>

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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The Governmental Funds of the City are outlined below:

***General Fund*** - The General Fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Hermosa Beach, these services include general government, safety, community development, culture and recreation and public works.

***Sewer Special Revenue Fund*** - This fund is used to account for funds derived from a portion of the 6% utility user tax and miscellaneous services charges. Funds are spent on the Sewer/Storm Drain Department and capital sewer projects.

***Capital Improvement Capital Projects Fund*** - Funds set aside for capital improvement projects.

***Nonmajor Governmental Funds*** - Nonmajor Governmental Funds is the aggregate of all the nonmajor governmental funds.

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**City of Hermosa Beach**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	Major Funds				
	General	Sewer Special Revenue Fund	Capital Improvements Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 9,359,020	\$ 5,913,769	\$ 7,244,067	\$ 8,595,501	\$ 31,112,357
Accounts receivable	2,956,537	224,930	-	197,996	3,379,463
Property taxes receivable, net	629,878	10,707	-	7,358	647,943
Reimbursable grants receivable	-	-	-	346,240	346,240
Interest receivable on investments	14,121	2,554	2,003	11,664	30,342
Other assets	1,005,560	728	-	9,280	1,015,568
Due from other funds	26,698	-	-	-	26,698
<b>Total assets</b>	<b>\$ 13,991,814</b>	<b>\$ 6,152,688</b>	<b>\$ 7,246,070</b>	<b>\$ 9,168,039</b>	<b>\$ 36,558,611</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,254,784	\$ 44,393	\$ 55,451	\$ 485,014	\$ 1,839,642
Accrued wages and benefits payable	757,284	4,956	-	15,692	777,932
Refundable deposits	297,263	-	-	-	297,263
Unearned revenues	50,402	-	-	-	50,402
Due to other funds	-	-	-	26,698	26,698
Compensated absences, due within one year	1,427,428	5,062	-	10,722	1,443,212
<b>Total liabilities</b>	<b>3,787,161</b>	<b>54,411</b>	<b>55,451</b>	<b>538,126</b>	<b>4,435,149</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenues	629,878	10,707	-	7,358	647,943
<b>Total deferred inflows of resources</b>	<b>629,878</b>	<b>10,707</b>	<b>-</b>	<b>7,358</b>	<b>647,943</b>
<b>Fund Balances:</b>					
Nonspendable	478,479	-	-	9,280	487,759
Restricted	170,336	-	-	7,677,889	7,848,225
Committed	1,144,500	209,860	-	935,024	2,289,384
Assigned	7,781,460	5,877,710	7,190,619	362	20,850,151
<b>Total fund balances</b>	<b>9,574,775</b>	<b>6,087,570</b>	<b>7,190,619</b>	<b>8,622,555</b>	<b>31,475,519</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 13,991,814</b>	<b>\$ 6,152,688</b>	<b>\$ 7,246,070</b>	<b>\$ 9,168,039</b>	<b>\$ 36,558,611</b>

**City of Hermosa Beach**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2018**

<b>Total Fund Balances - Total Governmental Funds</b>	\$ 31,475,519
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Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable, net of Internal Service Fund of \$192,791	\$ 25,749,712	
Depreciable, net of Internal Service Fund of \$3,389,604	37,000,963	
Total capital assets		62,750,675

Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-Wide Statement of Net Position.

Insurance Fund	\$ 2,516,161	
Equipment Replacement Fund	9,528,845	
Total Internal Service Funds		12,045,006

Revenues in the Government-wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	647,943
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Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:

Lease revenue bonds and premium	(11,008,276)	
Compensated absences, net of \$22,838 reported in Internal Service fund and \$1,443,212 reported in accrued payroll		
	(1,085,917)	
		(12,094,193)

Deferred amounts relates to pension not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources	16,606,185
Pension related deferred inflows of resources	(1,659,460)

Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(49,464,514)
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Deferred amounts relates to other postemployment benefits not available for current expenditures and are not reported in the governmental fund financial statements:

OPEB related deferred outflows of resources	1,569,000
OPEB related deferred inflows of resources	(310,000)

Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(591,000)
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<b>Net Position of Governmental Activities</b>	<b>\$ 60,975,161</b>
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**City of Hermosa Beach**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	Major Funds				
	General	Sewer Special Revenue Fund	Capital Improvements Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>REVENUES:</b>					
Property taxes	\$ 17,072,844	\$ -	\$ -	\$ 457,648	\$ 17,530,492
Other taxes	10,319,281	-	-	1,929,619	12,248,900
Licenses and permits	787,563	-	-	268,068	1,055,631
Fines and forfeitures	1,921,215	-	-	888,153	2,809,368
Use of money and property	708,505	-	-	631,513	1,340,018
Intergovernmental	117,774	11,482	-	229,266	358,522
Charges for services	7,170,767	1,130,531	-	957,913	9,259,211
Miscellaneous	177,509	-	39,212	32,427	249,148
Interest earned on investments	66,019	44,686	41,655	-	152,360
<b>Total revenues</b>	<b>38,341,477</b>	<b>1,186,699</b>	<b>80,867</b>	<b>5,394,607</b>	<b>45,003,650</b>
<b>EXPENDITURES:</b>					
Current:					
Legislative and legal	1,302,500	-	-	10,761	1,313,261
General government	3,684,961	-	-	66,082	3,751,043
Public safety	21,338,362	-	-	130,047	21,468,409
Community development	1,945,096	-	-	89,139	2,034,235
Culture and recreation	1,383,630	-	-	63,366	1,446,996
Public works	5,087,725	327,272	-	928,528	6,343,525
Capital outlay	544,259	147,248	427,973	1,045,337	2,164,817
Debt service:					
Principal	-	-	-	434,992	434,992
Interest and fiscal charges	-	-	-	355,738	355,738
<b>Total expenditures</b>	<b>35,286,533</b>	<b>474,520</b>	<b>427,973</b>	<b>3,123,990</b>	<b>39,313,016</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,054,944</b>	<b>712,179</b>	<b>(347,106)</b>	<b>2,270,617</b>	<b>5,690,634</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	351,298	-	-	920,544	1,271,842
Transfers out	(3,564,028)	-	-	(351,298)	(3,915,326)
<b>Total other financing sources (uses)</b>	<b>(3,212,730)</b>	<b>-</b>	<b>-</b>	<b>569,246</b>	<b>(2,643,484)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(157,786)</b>	<b>712,179</b>	<b>(347,106)</b>	<b>2,839,863</b>	<b>3,047,150</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated (Note 14)	9,732,561	5,375,391	7,537,725	5,782,692	28,428,369
End of year	\$ 9,574,775	\$ 6,087,570	\$ 7,190,619	\$ 8,622,555	\$ 31,475,519

**City of Hermosa Beach**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2018**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<u>\$ 3,047,150</u>
---	---------------------

Governmental activities in the Statement of Activities were reported differently because:

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount of capital assets recorded in the current period is listed below.

Total capital outlay expenditures reported in governmental funds	2,315,605
Less: repair and maintenance expenditures	<u>(75,394)</u>

Total capital outlay (net of \$496,464 reported in internal service fund)	2,240,211
---	-----------

The net effect on disposal of capital assets.	(351,364)
---	-----------

Depreciation expense of capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds except for the Internal Service Fund amounts listed below.

Total depreciation reported in Government-Wide Statement of Activities	(2,435,850)
Less: depreciation reported in Internal Service Funds	<u>368,103</u>

Total	(2,067,747)
-------	-------------

Earned but unavailable revenues reported in the governmental funds balance sheet as deferred inflows of resources should be recognized in the government-wide statement of activities as revenue regardless of availability.

24,868

Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(1,908,863)

Certain other postemployment benefit expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as an expenditures in governmental funds.

(1,565,000)

Compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds.

(77,925)

The issuance of long-term debt provides current financial resources to governmental funds. However, the repayment reduces long-term liabilities in the governmental activities statement of net position.

434,992

Amortization of premium does not use current financial resources and therefore not reported as expenditure in the governmental funds.

20,772

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.

1,057,410

<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 854,504</u></u>
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# PROPRIETARY FUND FINANCIAL STATEMENTS

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***Internal Service Funds*** - To account for the costs associated with the City's insurance and for funding equipment replacement.

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**City of Hermosa Beach**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Governmental Activities Internal Service Funds
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 14,916,241
Accounts receivable	51,095
Other assets	49,288
Total current assets	<u>15,016,624</u>
Noncurrent assets:	
Nondepreciable capital assets	192,791
Depreciable capital assets, net of accumulated depreciation	3,389,604
Total noncurrent assets	<u>3,582,395</u>
<b>Total assets</b>	<u><u>18,599,019</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	369,991
Accrued wages and benefits payable	22,494
Workers' compensation claims payable - due within one year	795,327
General liability claims payable - due within one year	339,112
Compensated absences due within one year	22,838
Total current liabilities	<u>1,549,762</u>
Long-term liabilities:	
Workers' compensation claims payable - due in more than one year	4,302,925
General liability claims payable - due in more than one year	701,326
Total long-term liabilities	<u>5,004,251</u>
<b>Total liabilities</b>	<u><u>6,554,013</u></u>
<b>NET POSITION</b>	
Investment in capital assets	3,582,395
Unrestricted	8,462,611
<b>Total net position</b>	<u><u>\$ 12,045,006</u></u>

**City of Hermosa Beach**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 4,117,636
Miscellaneous revenue	531,682
<b>Total operating revenues</b>	<u>4,649,318</u>
<b>OPERATING EXPENSES:</b>	
Salaries and wages	386,248
Contractor services	1,827,100
Supplies	300,372
Claims expense	3,126,092
Depreciation	368,103
<b>Total operating expenses</b>	<u>6,007,915</u>
<b>OPERATING INCOME</b>	(1,358,597)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest expense	(187,443)
Gain on disposal of capital assets	(40,034)
<b>Total nonoperating revenues (expenses)</b>	<u>(227,477)</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>(1,586,074)</u>
<b>TRANSFERS:</b>	
Transfers in	3,089,382
Transfers out	(445,898)
<b>Total transfers</b>	<u>2,643,484</u>
<b>Change in net position</b>	1,057,410
<b>NET POSITION:</b>	
Beginning of the year	10,987,596
End of the year	<u>\$ 12,045,006</u>



**City of Hermosa Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received for services from other funds	\$ 4,117,636
Cash received from insurance recovery	46,029
Cash payments to suppliers for goods and services	(1,711,274)
Cash payments to employees for services	(379,737)
Cash payment for insurance premiums	(2,560,324)
<b>Net cash (used in) operating activities</b>	<b>(487,670)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Interest paid	(187,443)
Transfers in	3,089,383
Transfers out	(445,899)
<b>Net cash provided by noncapital financing activities</b>	<b>2,456,041</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of capital assets	(496,464)
Proceeds from sale of capital assets	(99,918)
<b>Net cash (used in) capital and related financing activities</b>	<b>(596,382)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,371,989</b>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	13,544,252
End of year	<b>\$ 14,916,241</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED IN) OPERATING ACTIVITIES:</b>	
Operating (loss)	\$ (1,358,597)
Adjustments to reconcile operating income to net cash (used in) operating activities:	
Depreciation	368,103
(Increase) decrease in:	
Other assets	117,028
Increase (decrease) in:	
Accounts payable	299,170
Accrued wages and benefits payable	5,981
Workers' compensation claims payable	187,443
General liability claims payable	(107,328)
Compensated absences	530
Total adjustments	870,927
<b>Net cash (used in) operating activities</b>	<b>\$ (487,670)</b>

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# FIDUCIARY FUND FINANCIAL STATEMENTS

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***Agency Funds-*** are used to account for assets held by the City in the capacity of agent for individuals. Agency Fund spending is controlled primarily through legal agreements and applicable State and Federal laws. The Agency Funds of the City were established to account for transactions related to payments for limited obligation bonds for the Bayview Drive, the Lower Pier Avenue Assessment District, the Beach Drive Assessment District, the Myrtle Avenue Utility Undergrounding Assessment District, and the Loma Drive Utility Undergrounding Assessment District.

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**City of Hermosa Beach**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

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	Agency Funds
	<hr/>
<b>ASSETS</b>	
Cash and investments	\$ 487,885
Interest receivable	552
Other receivable	5,955
Other assets	90
<b>Total assets</b>	<hr/> <b>\$ 494,482</b> <hr/>
<b>LIABILITIES</b>	
Assessment:	
Installment account	\$ 481,482
Reserve requirement	13,000
<b>Total liabilities</b>	<hr/> <b>\$ 494,482</b> <hr/>

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# NOTES TO THE BASIC FINANCIAL STATEMENTS

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**City of Hermosa Beach**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2018**

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	<u>Page</u>
<b>Note 1 – Summary of Significant Accounting Policies.....</b>	<b>49</b>
A. Financial Reporting Entity .....	49
B. Basis of Accounting and Measurement Focus .....	50
C. Cash and Investments .....	52
D. Fair Value Measurement .....	52
E. Property Taxes Receivable .....	53
F. Interfund Transactions .....	53
G. Capital Assets .....	53
H. Unearned and Unavailable Revenue .....	54
I. Claims Payable .....	54
J. Compensated Absences Payable .....	54
K. Pensions .....	54
L. Other Postemployment Benefits (“OPEB”) .....	55
M. Net Position .....	55
N. Fund Balances .....	55
O. Spending Policy .....	56
P. Use of Estimates .....	57
Q. Accounting Changes .....	57
<b>Note 2 – Cash and Investments .....</b>	<b>58</b>
A. Deposits .....	58
B. Investments .....	59
C. Investment in Los Angeles County Investment Pool .....	59
D. Fair Value Measurement .....	60
E. Risk Disclosures .....	60
<b>Note 3 – Receivables.....</b>	<b>61</b>
A. Government-Wide Financial Statements .....	61
B. Fund Financial Statements .....	61
<b>Note 4 – Lease Revenues.....</b>	<b>62</b>
<b>Note 5 – Interfund Transactions .....</b>	<b>63</b>
<b>Note 6 – Capital Assets .....</b>	<b>65</b>
<b>Note 7 – Long-Term Liabilities.....</b>	<b>66</b>
<b>Note 8 – Risk Management.....</b>	<b>66</b>
<b>Note 9 – Defined Benefit Pension Plans.....</b>	<b>68</b>
<b>Note 10 – Other Postemployment Benefit Plan .....</b>	<b>77</b>
<b>Note 11 – Classification of Fund Balances .....</b>	<b>81</b>

**City of Hermosa Beach**  
**Index to Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

---

	<u>Page</u>
<b>Note 12 – Non-City Obligations .....</b>	<b>82</b>
<b>Note 13 – Commitments and Contingencies .....</b>	<b>84</b>
A. Commitments .....	84
B. Contingencies .....	84
C. Grants .....	84
<b>Note 14 – Prior Period Adjustment .....</b>	<b>85</b>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2018**

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**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of the City of Hermosa Beach, California, (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City’s significant policies:

**A. Financial Reporting Entity**

The City was incorporated on January 14, 1907, under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (police, crossing guards and fire), maintenance and construction of public improvements, cultural, recreation, community development (planning and zoning), and general administrative services.

The basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body and either the City is able to impose its will on that organization or there is a potential for the organization to provide financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statement to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the City’s operations and data from these units are combined with data of the City.

Management determined that the following entities should be reported as blended component units based on the criteria above. Each blended component unit has a June 30 year-end, has a governing board that is substantially the same as the City’s, there is a financial benefit or burden relationship between the City and the blended component unit, and the City is financially accountable for each of the blended component units.

*Hermosa Beach Street Lighting and Landscaping District* – The Hermosa Beach Street Lighting and Landscaping Assessment District was created for street lighting/median maintenance purposes pursuant to Street and Highway Code Sections 22500-22679.

*Lower Pier Avenue Assessment District* – The Lower Pier Avenue Assessment District was created for improvement of the assessment district in November 1997 pursuant to Street and Highway Code Section 10000.

*Myrtle Avenue Underground Utility District* – The Myrtle Avenue Underground Utility District was created in October 1999 pursuant to Street and Highway Code Section 10000.

*Loma Drive Underground Utility District* – The Loma Drive Underground Utility District was created in October 1999 pursuant to Street and Highway Code Section 10000.

*Beach Drive Assessment District* – The Beach Drive Assessment District was created in July 2004 pursuant to Street and Highway Code Section 10000.

*Bayview Drive Underground District* – The Bayview Drive Underground District was created in February 2005 pursuant to Street and Highway Code Section 10000.

*Hermosa Beach Public Financing Authority* – The Hermosa Beach Public Financing Authority was created on July 14, 2015 to authorize the issuance and sale of 2015 Lease Revenue Bonds.

The above component units do not issue separate financial statements.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

**Government-Wide Financial Statements**

The government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities of the City are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated. In the statement of activities, internal service fund transactions have been included in the governmental activities. The following interfund activities have been eliminated:

- Due from and to other funds, which are short-term loans within the primary government
- Transfers in and out, which are flows of assets between funds without the requirement for repayment

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Governmental Fund Financial Statements*

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) which are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, intergovernmental revenues and other taxes. Sales tax is received on a monthly basis. Business license fees are recorded as received, except at year-end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes business license revenue collected within 60 days as revenue at June 30. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences.

The City reports the following major governmental fund:

General Fund – The General Fund is the City’s principal operating fund. It accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government except those required to be accounted for in another fund.

Sewer Special Revenue Fund – This fund is used to account for funds derived from a portion of the 6% utility user tax and miscellaneous services charges. Funds are spent on the Sewer/Storm Drain Department and capital sewer projects.

Capital Improvement Capital Projects Fund – This fund is set aside for capital improvement projects.

*Proprietary Fund Financial Statements*

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Proprietary Fund Financial Statements (Continued)*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Internal service funds are the only funds presented in the proprietary fund financial statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. The internal service funds are used to account for equipment replacement and insurance provided to other City departments on a cost-reimbursement basis.

*Fiduciary Fund Financial Statements*

The City's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds are accounted for using the accrual basis of accounting. The City maintains seven fiduciary funds which represent assets resulting from assessments to the property owners in four utility undergrounding districts, two reserve funds for utility undergrounding districts and a downtown improvement district (Lower Pier Avenue). The assets are used to repay bonds secured by the private property in the district.

***C. Cash and Investments***

The City's cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for statement of cash flows purposes.

***D. Fair Value Measurement***

Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***E. Property Taxes Receivable***

Property taxes attach as an enforceable lien on property as of January 1 each year. The property tax year runs from July 1 to June 30. Property is taxed as of January 1 for payment in the following fiscal year. Taxes are payable in two installments: December 10 and April 10 of each year. The County of Los Angeles, California (the “County”) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized, net of estimated refunds and uncollectible amounts, in the period for which the taxes are levied. The City recognizes available taxes, or those collected within 60 days, as revenue at June 30.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed valuation no more than 2% per year. The City receives a share of this basic levy, or .203 cents of each \$1.00, proportionate to what it received during the years 1976 to 1978.

***F. Interfund Transactions***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans).

***G. Capital Assets***

In the government-wide financial statements, capital assets, which include land, buildings, improvements, equipment, furniture, and infrastructure assets (e.g., roads, sidewalks, and similar items), are recorded at historical cost or estimated historical if purchased or constructed. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value on the date donated rather than fair value. City policy has set the capitalization threshold for reporting capital assets at \$5,000 and infrastructure at \$100,000.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewers and storm drains, parking meters and monuments. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights and landscaping. These subsystems were not delineated in the basic financial statements. The Finance Department, with the assistance of the appropriate operating department, maintains information regarding the subsystems.

Interest incurred during capital assets construction, if any, is capitalized for the proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the “Basic Approach” and depreciate over its estimated useful life.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes are as follows:

Buildings	50 years
Improvements other than buildings	20 years
Machinery and equipment	3-20 years
Infrastructure	15-50 years

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***H. Unearned and Unavailable Revenue***

In the government-wide and fund financial statements, unearned revenue is reported for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the government-wide financial statements are cell phone site license lease payments received in advance, prepaid charges for services, facility rentals paid in advance, and quarterly encroachment fees, and advance registration for recreation classes.

In the governmental fund financial statements, unavailable revenue is reported when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City reports an unavailable revenue when an asset is reported in governmental fund financial statements but the revenue is not available.

***I. Claims Payable***

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "*incurred but not reported*" ("IBNR") claims. There is no fixed payment schedule to pay these liabilities.

***J. Compensated Absences Payable***

City employees have vested interest in varying levels of vacation, sick leave and compensatory time based on their length of employment. It is the policy of the City to pay all accumulated vacation pay and all or a portion of sick pay when an employee retires or terminates. The long-term amount is included as a liability in the governmental activities of the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All of the liability for compensated absences applicable to proprietary funds is reported in those funds. The City's goal is to accumulate 25% of the funding for the accrued liability for compensated absences in the assigned fund balance for compensated absences.

***K. Pensions***

For purposes of measuring the aggregate net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.



**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***L. Other Postemployment Benefits (“OPEB”)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the plan (Note 10). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

<u>OPEB</u>	
Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

***M. Net Position***

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

***N. Fund Balances***

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form, such as inventory or prepaid items, or because resources legally or contractually must remain intact.

Restricted – Restricted fund balances are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantor, laws and regulations of other governments or enabling legislation.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**N. Fund Balances (Continued)**

Committed – Committed fund balances are self-imposed limitations by the highest level of decision-making authority, namely the City Council, prior to the end of the reporting period. City Council adoption of a resolution is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances are limitations imposed by management based on the intended use of the funds. Modifications or rescissions of the constraints can be removed by the same type of action that limited the use of the funds. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Finance Director for that purpose.

Unassigned – Unassigned fund balances represent the residual net resources in excess of the other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental fund other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**O. Spending Policy**

Government – Wide Financial Statements and Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which restricted, committed, assigned and unassigned fund balances are all available, the City's policy is to use these balances in the following order unless an ordinance specifies the fund balance to be used: restricted, committed, assigned and unassigned.

Long-term financial planning

The City Council's adopted financial policies relating to long-term financial planning for specific purposes are as follows:

Insurance Fund - Goal of \$3,000,000 in net position for claims reserves and catastrophic losses.

Equipment Replacement Fund - Goal of net position equal to the accumulated amount calculated for all equipment, based on replacement cost and useful life of equipment.

Contingency - Goal equal to 16% of the General Fund appropriations for economic uncertainties, unforeseen emergencies.

Compensated Absences - Goal equal to 25% funding for accrued liabilities for employee vacation, sick and compensatory time.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***O. Spending Policy (Continued)***

*Long-term financial planning (Continued)*

The City also has a financial policy of transferring funds unspent in the General Fund at year-end to the Insurance Fund, Equipment Replacement Fund, and Capital Improvement Capital Projects Fund and to add to Contingency funds. The City Council makes changes as necessary to the year-end transfer, depending on the equity in the funds or based on other needs.

***P. Use of Estimates***

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Q. Accounting Changes***

GASB has issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This statement had an impact on the City's financial statements for the year ended June 30, 2018.

GASB Statement No. 81, *Irrevocable Split-Interest Agreement* (GASB 81) This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

GASB Statement NO. 85, *Omnibus 2017* (GASB 85). This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86). Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. However, in financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 2 – Cash and Investments**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds.

The City had the following cash and investments at June 30, 2018:

	Government-Wide Statement of Net Position Governmental Activities	Statement of Fiduciary Net Position	Total
Cash and investments	\$ 46,031,598	\$ 487,885	\$ 46,519,483

The City's cash and investments at June 30, 2018 in more detail:

Cash and cash equivalents:	
Demand deposits	\$ 13,138,169
Petty cash	2,000
Total cash and cash equivalents	<u>13,140,169</u>
Investments:	
Local Agency Investment Fund	44,277
Los Angeles County Pooled Investments Funds	25,880,375
Negotiable Certificates of Deposit	6,960,927
U.S. Government Sponsored Enterprise Securities	493,735
Total investments	<u>33,379,314</u>
<b>Total cash and investments</b>	<u><u>\$ 46,519,483</u></u>

**A. Deposits**

The carrying amounts of the City's demand deposits were \$13,138,169 at June 30, 2018. Bank balances at that date were \$14,645,017, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures, if applicable. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances, however, interest is not allocated to funds created to advance costs for utility undergrounding districts, reimbursable grant funds or internal service funds.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 2 – Cash and Investments (Continued)**

**B. Investments**

Under the provisions of the City's investment policy, the City's investments are limited to those authorized by the California Government Code, except as follows:

- There is no maximum amount or maximum maturity period of the City's idle funds that may be invested with the Local Agency Investment Fund ("LAIF") or the Los Angeles County Pooled Investment Fund ("LACPIF")
- Negotiable Certificates of Deposit shall not exceed 30 percent of the City's surplus money and mature in 5 years or less.
- Medium-term corporate notes shall have a Moody or Standard & Poor's rating of at least AA and mature in 5 years or less

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2018 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities, which included the following:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations), or credit card receivables.

As of June 30, 2018, the City had \$44,277 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes and Asset-Backed Securities.

**C. Investment in Los Angeles County Investment Pool**

The City is a voluntary participant in the Los Angeles County Investment Pool pursuant to Government Code Section 53684. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Los Angeles County Investment Pool's Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are to be performed no less than semi-annually. In accordance with Government Code Section 27136, all requests for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. As of June 30, 2018, the City had \$25,880,375 invested in the Los Angeles County Investment Pool.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 2 – Cash and Investments (Continued)**

**D. Fair Value Measurement**

At June 30, 2018, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within fair value hierarchy in which the fair value measurements fall at June 30, 2018:

Investment Type	Value	Level 2	Uncategorized
Local Agency Investment Fund	\$ 44,277	\$ -	\$ 44,277
Los Angeles County Pooled Investments Fund	25,880,375	25,880,375	-
Negotiable Certificates of Deposit	6,960,927	6,960,927	-
U.S. Government Sponsored Enterprise Securities	493,735	493,735	-
<b>Total</b>	<b>\$33,379,314</b>	<b>\$33,335,037</b>	<b>\$ 44,277</b>

**E. Risk Disclosures**

**Interest Rate Risk** - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years.

At June 30, 2018, the City had the following investment maturities:

Investment Type	Fair value	Investment Maturities (in Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Local Agency Investment Fund	\$ 44,277	\$ 44,277	\$ -	\$ -	\$ -	\$ -
Los Angeles County Pooled Investments Fund	25,880,375	25,880,375	-	-	-	-
Negotiable Certificates of Deposit	6,960,927	-	1,467,961	1,695,904	1,859,463	1,937,599
U.S. Government Sponsored Enterprise Securities	493,735	-	493,735	-	-	-
<b>Total</b>	<b>\$33,379,314</b>	<b>\$25,924,652</b>	<b>\$ 1,961,696</b>	<b>\$ 1,695,904</b>	<b>\$ 1,859,463</b>	<b>\$ 1,937,599</b>

**Credit Risk** – State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the City's policy to limit its investments in these investment types to the top rating issued by Standard & Poor's and Moody's Investor Service. At June 30, 2018, the City's credit risks, expressed on a percentage basis, were as follows:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments			
Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Local Agency Investment Fund (LAIF)	Not Rated	Not Rated	0.13%
Los Angeles County Pooled Investments Fund	Not Rated	Not Rated	77.53%
Negotiable Certificates of Deposits	Not Rated	Not Rated	20.85%
U.S. Government Sponsored Enterprise Securities:			
Federal Home Loan Mortgage Corporation	Aaa	AA+	1.48%
<b>Total</b>			<b>100.00%</b>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures (Continued)**

*Custodial Risk* – For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

*Concentration of credit risk* – The City's investment policy does not allow for investments in any one institution that is in excess of 5% of the City's total portfolio, except for LAIF and LACIPIF, where there is no limit. The City is in compliance with the investment policy related to the concentration of credit risk for the year ended June 30, 2018.

**Note 3 - Receivables**

**A. Government-Wide Financial Statements**

At June 30, 2018, the government-wide financial statements show the following receivables, net of allowances for uncollectible amounts, if any:

	Government-Wide Statement of Net Position Governmental Activities	Statement of Fiduciary Net Position	Total
Accounts receivable	\$ 3,357,549	\$ -	\$ 3,357,549
Property taxes receivable, net	647,943	-	647,943
Reimbursable grants receivable	346,333	-	346,333
Interest receivable on investments	30,249	552	30,801
Other receivables	-	5,955	5,955
<b>Total</b>	<b>\$ 4,382,074</b>	<b>\$ 6,507</b>	<b>\$ 4,388,581</b>

**B. Fund Financial Statements**

*Receivables*

Receivables consisted of amounts accrued in the ordinary course of operations. The total amount of receivables for each major and nonmajor funds in the aggregate as of June 30, 2018, were as follows:

<b>Governmental funds:</b>	
General Fund	\$ 3,600,536
Sewer Special Revenue Fund	238,191
Capital Improvements Capital Projects Fund	2,003
Nonmajor Funds	560,258
<b>Total governmental funds</b>	<b>4,400,988</b>
<b>Total accounts receivable</b>	<b>\$ 4,382,074</b>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 3 – Receivables (Continued)**

**B. Fund Financial Statements (Continued)**

Taxes Receivable

At June 30, 2018, the City had property taxes receivable, net of allowance for delinquent property taxes receivables, in the following major fund and nonmajor funds in the aggregate:

	Property taxes	Allowance for delinquent tax receivables	Property taxes, net of allowance
<b>Governmental Funds:</b>			
General Fund	\$ 1,206,731	\$ (576,853)	\$ 629,878
Sewer Special Revenue Fund	36,200	(25,493)	10,707
Nonmajor funds	23,890	(16,532)	7,358
<b>Total</b>	<u>\$ 1,266,821</u>	<u>\$ (618,878)</u>	<u>\$ 647,943</u>

Reimbursable Grants Receivable

Grants receivable consists of a variety of reimbursable grants from other agencies. The total amount of reimbursable grants receivable as of June 30, 2018 was as follows:

<b>Governmental Funds:</b>	
Bullet Proof Vest Partnership	\$ 3,130
Prop A Open Space Grant	290,933
Other	52,270
<b>Total reimbursable grants receivable</b>	<u>\$ 346,333</u>

**Note 4 – Lease Revenues**

In February 2001, a 50-year lease for the retail space located in front of the North Pier Parking Structure was initiated. The City receives a monthly lease payment in the amount of \$2,985. The lease includes a negotiated increase to the monthly lease payment to be calculated every 60 months based on the consumer price index. In February 2016, the lease was increased to \$3,235.

In February 2004, the City entered into a 5-year lease agreement with Sprint, a cellular telephone company, for placement of an antenna on the North Pier Parking Structure. The lease includes a provision for 5 lease extensions with a 5-year term for each. In February 2009, the lease was extended through January 31, 2015. In February 2016, the lease was extended through January 31, 2020. The City received a monthly lease payment in the amount of \$2,984 to January 2018 and \$3,074 from February 2018.

In June 2005, the City purchased property adjacent to City Hall that is used as a self-storage facility. The existing lease for the storage facility was transferred to the City as a condition of the sale. The original lease term was through January 31, 2009, and was extended beginning February 1, 2009 to April 30, 2015 through various amendments. In April, 2015, the lease was amended to extended extend the term to April 30, 2020 and that lease can be terminated without cause at any time after April 2017 with one year of written notice to the City. The City receives a monthly lease payment in the amount of \$15,000.



**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 4 – Lease Revenues (Continued)**

In February 2014, the City entered into a 5-year lease agreement with Verizon wireless, a cellular telephone company, for the placement of 12 panel antennas and 6 remote radio units at the Municipal Parking Facility. The annual lease rate is expected to increase at a rate of 3% with base monthly payment amount of \$2,400. The City received a monthly lease payment in the amount of \$2,546 to February 2018 and \$2,623 from March 2018.

All of the above leases are accounted for as operating leases by the City.

The future minimum rental revenues under these leases are as follows:

Year ending June 30,	Amounts
2019	287,994
2020	214,221
2021	65,849
2022	42,075
2023	42,075
2024-2028	219,195
2029-2033	237,577
2034-2038	257,502
2039-2043	279,095
2044-2048	302,500
2049-2051	157,337
<b>Total</b>	<b>\$ 2,105,420</b>

Lease revenue for the year ended June 30, 2018 was \$316,537.

**Note 5 – Interfund Transactions**

**Due From/To Other Funds** – At June 30, 2018, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds
	General Fund
Nonmajor Governmental funds	\$ 26,698
<b>Total</b>	<b>\$ 26,698</b>

The above amount resulted from the time lag between the dates that reimbursable expenditures occur and payments are received from other agencies.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 5 – Interfund Transactions (Continued)**

***Transfers***

During the year ended June 30, 2018, the City had the following transfers:

	Transfers in			
	General	Nonmajor	Internal	
Transfers out	Fund	Governmental	Service	Total
	Funds	Funds	Funds	
General Fund	\$ -	\$ 920,544	\$ 2,643,484	\$ 3,564,028
Nonmajor Governmental				
Funds	351,298	-	-	351,298
Internal Service funds	-	-	445,898	445,898
<b>Total</b>	<b>\$ 351,298</b>	<b>\$ 920,544</b>	<b>\$ 3,089,382</b>	<b>\$ 4,361,224</b>

In general, transfers are used to 1) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 2) to transfer to the General Fund to fund administration services.

General Fund transferred \$920,544 to the Lighting/Landscaping Fund for operating costs and to the 2015 Lease Revenue Bond Fund for debt service payment.

General Fund transferred \$2,643,484 to Insurance Internal Service Fund to pay for settlement related payments.

Non-major Governmental Funds transferred \$351,298 for Lighting/Landscaping administration, street maintenance and traffic safety operations, parks maintenance allocation and agency administration.

Equipment Replacement Internal Service Fund transferred \$445,898 to Insurance Internal Service Fund to replenish funds used for settlements.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 6 – Capital Assets**

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Reclassifications	Balance June 30, 2018
<i>Capital assets not being depreciated:</i>					
Land	\$ 22,740,168	\$ -	\$ -	\$ -	\$ 22,740,168
Construction in progress	2,483,633	1,982,195	(59,687)	(1,203,806)	3,202,335
Total capital assets not being depreciated	<u>25,223,801</u>	<u>1,982,195</u>	<u>(59,687)</u>	<u>(1,203,806)</u>	<u>25,942,503</u>
<i>Capital assets being depreciated:</i>					
Buildings and structures	13,049,377	11,762	-	654,671	13,715,810
Improvements other than buildings	14,918,376	-	-	481,671	15,400,047
Machinery and equipment	6,085,634	358,166	(510,368)	-	5,933,432
Vehicles	4,230,888	351,090	(694,351)	-	3,887,627
Infrastructure	53,454,740	-	-	67,464	53,522,204
Total capital assets being depreciated	<u>91,739,015</u>	<u>721,018</u>	<u>(1,204,719)</u>	<u>1,203,806</u>	<u>92,459,120</u>
Less accumulated depreciation for:					
Buildings and structures	(4,452,030)	(99,269)	-	-	(4,551,299)
Improvements other than buildings	(12,269,104)	(258,119)	-	-	(12,527,223)
Machinery and equipment	(3,889,510)	(296,644)	146,735	-	(4,039,419)
Vehicles	(2,392,948)	(262,876)	766,306	-	(1,889,518)
Infrastructure	(27,542,152)	(1,518,942)	-	-	(29,061,094)
Total accumulated depreciation	<u>(50,545,744)</u>	<u>(2,435,850)</u>	<u>913,041</u>	<u>-</u>	<u>(52,068,553)</u>
Total capital assets being depreciated, net	<u>41,193,271</u>	<u>(1,714,832)</u>	<u>(291,678)</u>	<u>1,203,806</u>	<u>40,390,567</u>
<b>Total governmental activities</b>	<u>\$ 66,417,072</u>	<u>\$ 267,363</u>	<u>\$ (351,365)</u>	<u>\$ -</u>	<u>\$ 66,333,070</u>

Depreciation expense was charged to functions/programs of governmental activities for the year ended June 30, 2018 as follows:

General government	\$ 64,458
Public safety	360,895
Community development	1,834
Culture and recreation	58,682
Public works	431,038
Infrastructure	1,518,943
<b>Total depreciation expense</b>	<u>\$ 2,435,850</u>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 7 – Long-Term Liabilities**

Summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Classification	
					Due within One Year	Due in more than One Year
2015 Lease revenue bond	\$ 11,265,000	\$ -	\$ (435,000)	\$ 10,830,000	\$ 460,000	\$ 10,370,000
Bonds Premium	188,660	-	(10,384)	178,276	10,384	167,892
	<u>\$ 11,453,660</u>	<u>\$ -</u>	<u>\$ (445,384)</u>	<u>\$ 11,008,276</u>	<u>\$ 470,384</u>	<u>\$ 10,537,892</u>

**2015 Lease Revenue Bonds**

On July 14, 2015, the PFA issued \$11,600,000 Hermosa Beach Public Financing Authority 2015 Lease Revenue Bonds to (i) make certain payments under an agreement entered into for the purpose of settling certain claims made against the City, and (ii) pay the costs of issuing the 2015 Bonds. Interest rate ranges from 2.00% to 5.00% is payable semiannually on May 1 and November 1 of each year, commencing November 1, 2016. The outstanding balance at June 30, 2018 was \$10,830,000.

The annual debt service requirements by year are as follows:

Year ending June 30,	Principal	Interest	Total
2019	460,000	333,713	793,713
2020	480,000	310,212	790,212
2021	500,000	285,713	785,713
2022	510,000	268,112	778,112
2023	520,000	257,812	777,812
2024-2028	2,810,000	1,104,580	3,914,580
2029-2033	3,290,000	662,286	3,952,286
2034-2036	2,260,000	119,944	2,379,944
	<u>\$10,830,000</u>	<u>\$ 3,342,372</u>	<u>\$14,172,372</u>

**Note 8 – Risk Management**

The City maintains an internal service fund to account for the City's general liability and workers' compensation claims, automobile, property, and unemployment insurance.

The City is self-insured for each general liability claim up to \$250,000. The City is insured above the self-insured retention for general liability insurance coverage, up to a maximum of \$20,000,000 per occurrence, as a member of the Independent Cities Risk Management Authority ("ICRMA").

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 8 – Risk Management (Continued)**

The City purchases workers' compensation coverage through a self-insured program available through ICRMA. The City maintains a \$500,000 self-insured retention limit and participates in a self-insured risk sharing pool through the ICRMA of coverage up to statutory limits.

ICRMA is a joint exercise of powers authority organized and operating pursuant to the California Government Code. ICRMA was formed in 1980 pursuant to joint exercise of power agreements for insurance and risk management purposes, which, as amended, enable ICRMA to provide programs of risk sharing, insurance and risk management services in connection with liability, property, and workers' compensation claims.

ICRMA's annual budget is based on estimated actuarially determined member losses within the risk sharing layer, administrative expenses and excess insurance.

The City's premiums to ICRMA in the amount of \$1,116,478 for the fiscal year 2017-2018 are in accordance with formulas established by ICRMA. The City is liable for possible additional assessments and withdrawal costs under terms of the membership agreement; however, there has never been an additional assessment since the pool was formed.

The City has entered into contracts with third party administrators who supervise and administer the City's general liability and workers' compensation insurance program. Claim loss estimates are determined by the third party administrator based on the nature of an individual claim. The loss estimates include amounts for future compensation, medical, legal and administrative fees. The City also includes estimated claims incurred but not reported ("IBNR") provided by an actuary. Reimbursement requests are submitted to the City on a monthly basis as claims are paid.

The workers' compensation and general liability claims payable of \$6,138,690 reported at June 30, 2018 includes the liability for claims in which it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the City's claims liability amounts were as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability	Amounts Due within One Year	Amounts Due in more than One Year
<i><u>Workers' Compensation</u></i>						
2015-2016	4,821,345	748,213	(892,908)	4,676,650	719,617	3,957,033
2016-2017	4,676,650	1,114,765	(880,606)	4,910,809	749,469	4,161,340
2017-2018	4,910,809	1,127,793	(940,350)	5,098,252	795,327	4,302,925
<i><u>General Liability</u></i>						
2015-2016	888,300	362,802	(550,532)	700,570	316,291	384,279
2016-2017	700,570	459,706	(12,510)	1,147,766	502,887	644,879
2017-2018	1,147,766	2,017,449	(2,124,777)	1,040,438	339,112	701,326

Detailed financial information may be obtained from the ICRMA Program Administrator located at 18201 Von Karman, Suite 200, Irvine, CA 92612.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 9 – Defined Benefit Pension Plans**

The following is a summary of net pension liabilities, related deferred outflows and inflows of resources as of June 30, 2018 and pension expenses for the year then ended June 30, 2018:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
<b>Deferred outflows of resources:</b>			
Pension contribution after measurement date	\$ 1,516,745	\$ 4,226,782	\$ 5,743,527
Difference between expected and actual experience	17,979	329,140	347,119
Changes of assumptions	2,230,772	4,773,359	7,004,131
Difference between projected and actual earning on pension plan investments	504,509	1,040,779	1,545,288
Adjustment due to differences in proportions	194,553	204,807	399,360
Difference between City contributions and proportionate share of contributions	-	1,566,760	1,566,760
<b>Total deferred outflows of resources</b>	<u>\$ 4,464,558</u>	<u>\$ 12,141,627</u>	<u>\$ 16,606,185</u>
<b>Aggregate Net pension liabilities:</b>			
Aggregate Net pension liabilities	<u>\$ 14,542,712</u>	<u>\$ 34,921,802</u>	<u>\$ 49,464,514</u>
<b>Total net pension liabilities</b>	<u>\$ 14,542,712</u>	<u>\$ 34,921,802</u>	<u>\$ 49,464,514</u>
<b>Deferred inflows of Resources:</b>			
Difference between expected and actual experience	\$ 257,583	\$ 85,816	\$ 343,399
Changes of assumptions	170,098	366,225	536,323
Adjustment due to differences in proportions	231,001	356,392	587,393
Difference between City contributions and proportionate share of contributions	192,345	-	192,345
<b>Total deferred inflows of Resources</b>	<u>\$ 851,027</u>	<u>\$ 808,433</u>	<u>\$ 1,659,460</u>
<b>Pension expenses:</b>	<u>\$ 1,751,346</u>	<u>\$ 4,205,553</u>	<u>\$ 5,956,899</u>

***General Information about the Pension Plan***

***Plan Description***

The City contributes to the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

The City contracted with Los Angeles County for Fire Services (Fire District) on 12/30/2017. The City will continue to be responsible for paying the retirement costs for fire employees related to the value of past service benefits, referred to as the unfunded actuarial liability.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 9 – Defined Benefit Pension Plans (Continued)**

***General Information about the Pension Plan (Continued)***

***Employees Covered by Benefit Terms***

At June 30, 2016, the following employees were covered by the benefit terms:

	Plans					
	Fire Tier 1	Fire Tier 2	Fire PEPR	Police Tier 1	Police Tier 2	Police PEPR
Active employees	13	-	2	25	4	7
Transferred and terminated employees	8	-	1	9	1	1
Separated	4	1	1	3	1	1
Retired Employees and Beneficiaries	51	-	-	91	1	-
Total	76	1	4	128	7	9

	Plans		
	Misc. Tier 1	Misc. Tier 2	Misc. PEPR
Active employees	51	18	41
Transferred and terminated employees	57	5	4
Separated	49	1	6
Retired Employees and Beneficiaries	123	-	-
Total	280	24	51

***Benefit Provided***

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPR Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPR miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

- Fire Tier 1: 3% (at age 55) of the average final 12 months compensation
- Fire Tier 2: 2% (at age 50) of the average final 12 months compensation
- Fire PEPR: 2.7% (at age 57) of the average final 36 months compensation
- Police Tier 1: 3% (at age 50) of the average final 12 months compensation
- Police Tier 2: 2% (at age 50) of the average final 12 months compensation
- Police Tier PEPR: 2.7% (at age 57) of the average final 36 months compensation
- Miscellaneous Tier 1: 2% (at age 55) of the average final 12 months compensation
- Miscellaneous Tier 2: 2% (at age 60) of the average final 12 months compensation
- PEPR Miscellaneous: 2% (at age 62) of the average final 36 months compensation

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 9 – Defined Benefit Pension Plans (Continued)**

***General Information about the Pension Plan (Continued)***

**Benefit Provided (Continued)**

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The Public agency cost-sharing plans covered by either the Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2017 (the measurement date), the average contribution rate were as follows:

Plans	Active Employee Contribution Rate	Employer Contribution Rate
Fire Tier 1	9.000%	56.866%
Fire Tier 2	9.000%	16.204%
Fire PEPR	12.250%	11.923%
Police Tier 1	9.000%	83.821%
Police Tier 2	9.000%	16.215%
Police PEPR	12.250%	11.923%
Misc. Tier 1	7.000%	26.520%
Misc. Tier 2	7.000%	7.234%
Misc. PEPR	6.250%	6.237%



**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 9 – Defined Benefit Pension Plans (Continued)**

***Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension***

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

The June 30, 2016 valuation was rolled forward to determine June 30, 2017 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.65% net of pension plan investment expenses, includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

***Change of Assumption***

For the June 30, 2017 measurement date, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 9 – Defined Benefit Pension Plans (Continued)**

***Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

**Discount Rate (Continued)**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2016.

<u>Asset Class</u>	<u>New Strategic Allocation-%</u>	<u>Real Return Years 1-10<sup>1</sup> -%</u>	<u>Real Return Years 11+<sup>2</sup> -%</u>
Global Equity	51.00	5.25	5.71
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	45.00	3.36
Private Equity	10.00	6.83	6.95
Real Estate	10.00	4.50	5.13
Infrastructure and Forestland	2.00	4.50	5.09
Liquidity	2.00	-0.55	-1.05

<sup>1</sup>An expected inflation of 2.5% used for this period

<sup>2</sup>An expected inflation of 3.0% used for this period.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
<b>Miscellaneous</b>	<u>\$ 22,669,954</u>	<u>\$ 14,542,712</u>	<u>\$ 7,811,583</u>
<b>Safety</b>	<u>\$ 52,212,722</u>	<u>\$ 34,921,802</u>	<u>\$ 20,787,338</u>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 9 – Defined Benefit Pension Plans (Continued)**

***Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

*Pension Plan Fiduciary Net Position*

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

*Proportionate Share of Net Pension Liability and Pension Expense*

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Plan Total Pension	Plan Fiduciary Net	Net Pension
	Liability	Position	Liability/(Asset)
<b>Miscellaneous</b>			
Balance at: 6/30/16 (Valuation date)	\$ 48,766,716	\$ 35,889,081	\$ 12,877,635
Balance at: 6/30/17 (Measurement date)	\$ 53,460,032	\$ 38,917,320	\$ 14,542,712
Net Changes during 2016-2017	\$ 4,693,316	\$ 3,028,239	\$ 1,665,077
<b>Safety</b>			
Balance at: 6/30/16 (Valuation date)	\$ 103,141,747	\$ 70,937,620	\$ 32,204,127
Balance at: 6/30/17 (Measurement date)	\$ 112,703,903	\$ 77,782,101	\$ 34,921,802
Net Changes during 2016-2017	\$ (9,562,156)	\$ (6,844,481)	\$ 2,717,675

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 9 – Defined Benefit Pension Plans (Continued)**

***Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

***Proportionate Share of Net Pension Liability and Pension Expense (Continued)***

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2016). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2017). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2017 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2015-2016).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of the market value assets.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the City's share of contributions during measurement period.

The City's proportionate share of the net pension liability was as follows:

	<u>Miscellaenous</u>	<u>Safety</u>
June 30, 2016	0.14882%	0.37217%
June 30, 2017	<u>0.14664%</u>	<u>0.35213%</u>
Change - Increase (Decrease)	<u>-0.00218%</u>	<u>-0.02004%</u>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 9 – Defined Benefit Pension Plans (Continued)**

***Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

***Proportionate Share of Net Pension Liability and Pension Expense (Continued)***

For the year ended June 30, 2018, the City recognized pension expense as follows:

Miscellaneous	\$	1,751,346
Safety		4,205,553
	\$	<u>5,956,899</u>

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2016-2017 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired).

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Miscellaneous</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contribution after measurement date	\$ 1,516,745	\$ -
Difference between expected and actual experience	17,979	(257,583)
Changes of assumptions	2,230,772	(170,098)
Difference between projected and actual earning on pension plan investments	504,509	-
Adjustment due to differences in proportions	194,553	(231,001)
Difference between City contributions and proportionate share of contributions	-	(192,345)
Total	<u>\$ 4,464,558</u>	<u>\$ (851,027)</u>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 9 – Defined Benefit Pension Plans (Continued)**

***Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

***Proportionate Share of Net Pension Liability and Pension Expense (Continued)***

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (Continued):

	<b>Safety</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contribution after measurement date	\$ 4,226,782	\$ -
Difference between expected and actual experience	329,140	(85,816)
Changes of assumptions	4,773,359	(366,225)
Difference between projected and actual earning on pension plan investments	1,040,779	-
Adjustment due to differences in proportions	204,807	(356,392)
Difference between City contributions and proportionate share of contributions	1,566,760	-
Total	<u>\$ 12,141,627</u>	<u>\$ (808,433)</u>

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (Continued):

Deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Measurement Period Ended June 30,</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>	
	<b>Miscellaneous</b>	<b>Safety</b>
2018	\$ 270,433	\$ 2,102,725
2019	1,335,077	3,483,234
2020	790,812	2,129,450
2021	(299,536)	(608,997)
2022	-	-
Thereafter	-	-
	<u>\$ 2,096,786</u>	<u>\$ 7,106,412</u>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 10 – Other Postemployment Benefit Plan**

***General Information about the Plan***

On June 12, 2007, the City Council adopted a resolution authorizing participation in a post retirement health care plan trust to be administered by Public Agency Retirement Services (“PARS”) and Union Bank of California. In July 2007, the City signed an agreement with Public Agency Retirement Services to create and administer an irrevocable trust fund for the payment of other postemployment benefits for city employees. Funds in the amount of \$1,401,000 that were previously set aside were forwarded to Union Bank pursuant to the agreement to establish the trust during the year ended June 30, 2008. Contributions are made on a monthly basis.

**Plan Description**

The City participates in a post retirement health care plan trust (“Plan”) administered by PARS and Union Bank of California. The Plan provides medical insurance benefits to eligible retirees. PARS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by contacting the City at 1315 Valley Drive, Hermosa Beach, CA 90254.

The Plan is comprised of employees and retirees from several bargaining units, including General and Supervisory; Professional and Administrative Employees Association; Hermosa Beach Management Association; Police Management Association; Police Officers Association and Firefighters Association.

The range of monthly benefits to be paid by the City ranges from \$40 to \$556 per month based on years of service from 10 years to 20 years provided to the City.

The monthly benefits paid by the City are subject to change with increases provided based on age at retirement and years of service.

**Post-Retirement Health Care Coverage for Fire Employees**

The City contracted with Los Angeles County for Fire Services (“Fire District”) on 12/30/2017. Fire District employees are provided post-retirement health coverage. The current vesting period is 10 years of Fire District service. Service with the City does not count towards coverage, only time actually worked in Fire District service counts towards the vesting period. Hermosa Beach Fire Association (HBFA) members who transfer to the Fire District and who take a service retirement before reaching 10 years of Fire District service are ineligible for the Fire District's retiree health benefit.

For those HBFA members who have 19 plus years of service with the City at the time of transfer to Fire District employment and who take a service retirement from the Fire District prior to vesting in the Fire District's retiree health plan, the City agrees to create a new Tier to the City's retiree health program as follow: the retired HBFA member will be eligible to receive from the City the \$350 per month benefit set forth in Article 42(D) of the MOU. This benefit is limited to the first four HBFA members who qualify for the benefit.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 10 – Other Postemployment Benefit Plan (Continued)**

***General Information about the Plan (Continued)***

**Eligibility**

All of the Plan's employees became participants in accordance with negotiated Memorandum of Understanding ("MOU") as negotiated by each group or bargaining unit. In order to receive benefits, eligible employees must meet the minimum requirements defined in their MOU. Participants of the Plan as of June 30, 2018 were as follows:

<u>Participants</u>	<u>Total</u>
Active employees	137
Retirees	62
Total	<u>199</u>

***Net OPEB Liability***

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

**Actuarial Assumptions**

The total OPEB liability, measured as of June 30, 2017, was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.00% Pre-funded in PARS Moderate Strategy
Inflation	2.75% per annum
Salary Increases	3.00% Aggregate
	Merit: 1997-2015 CalPERS Experience Study
Investment Rate of Return	6.00%
Healthcare Trend Rate	Non-Medicare: 7.5% in 2019, to 4.0% in 2076 and thereafter
	Medicare: 6.5% in 2019 to 4.0% in 2076 and thereafter
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Service Requirement	100% at 20 Years of Service
Participation Rate	Currently covered: 100%

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2017.



**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 10 – Other Postemployment Benefit Plan (Continued)**

***Net OPEB Liability (Continued)***

**Actuarial Assumptions (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation PARS-Moderate	Expected Real Rate of Return
Global Equity	48.00%	4.820%
Fixed Income	45.00%	1.470%
REIs	2.00%	3.760%
Cash	5.00%	0.060%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.00 percent. The actuarial assumptions used to determine the discount rate was based on the current funding practice and assumed the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2018:

<b>Plan's OPEB Liability/(Asset)</b>		
Discount Rate - 1% <b>(5.00%)</b>	Current Discount Rate <b>(6.00%)</b>	Discount Rate + 1% <b>(7.00%)</b>
\$ 1,907,000	\$ 591,000	\$ (512,000)

***Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the measurement period ended June 30, 2018:

<b>Plan's OPEB Liability/(Asset)</b>		
<b>-1.00%</b>	<b>Healthcare Trend Rate</b>	<b>+1.00%</b>
\$ (276,000)	\$ 591,000	\$ 1,631,000

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 10 – Other Postemployment Benefit Plan (Continued)**

***Change in Net OPEB Liability***

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at June 30, 2017 (Valuation Date)	\$ 10,271,000	\$ 8,316,000	\$ 1,955,000
Changes Recognized for the Measurement Period:			
Service Cost	326,000	-	326,000
Interest on the total OPEB liability	624,000	-	624,000
Changes of benefit terms	(381,000)	-	(381,000)
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	1,050,000	(1,050,000)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	906,000	(906,000)
Benefit payments, including refunds of employee contributions	(399,000)	(399,000)	-
Administrative Expense	-	(23,000)	23,000
Net Changes during July 1, 2016 to June 30, 2017	<u>170,000</u>	<u>1,534,000</u>	<u>(1,364,000)</u>
Balance at June 30, 2017 (Measurement Date)	<u>\$ 10,441,000</u>	<u>\$ 9,850,000</u>	<u>\$ 591,000</u>

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended June 30, 2018, OPEB expense in the amount of \$1,569,000 is included in the accompanying statement of activities.

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Amount
2019	\$ (77,000)
2020	(77,000)
2021	(77,000)
2022	(79,000)
2023	-
Thereafter	<u>-</u>
Total	<u>\$ (310,000)</u>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

**Note 11 – Classification of Fund Balances**

At June 30, 2018, fund balances are classified in the governmental funds as follows:

	General Fund	Sewer Special Revenue Fund	Capital Improvements Capital Projects	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Prepaid items	\$ 478,479	\$ -	\$ -	\$ 9,280	\$ 487,759
Total nonspendable	478,479	-	-	9,280	487,759
<b>Restricted</b>					
Verizon PEG Grant	120,336	-	-	-	120,336
Chamber Sign Donation	50,000	-	-	-	50,000
Lighting District	-	-	-	33,219	33,219
Gas Tax	-	-	-	313,861	313,861
Source Reduction/Recycling	-	-	-	45,204	45,204
Parks/Rec Facility Projects	-	-	-	178,641	178,641
Undergrounding Districts	-	-	-	29,352	29,352
Prop A, C and Measure R					
Transit Projects	-	-	-	3,429,771	3,429,771
Air Quality Improvement Projects	-	-	-	12,486	12,486
Supplemental Law Enforcement					
Services Funds	-	-	-	241,659	241,659
Asset Forfeiture - Drug Enforcement and Education	-	-	-	509,839	509,839
Fire Protection	-	-	-	78,390	78,390
Grants	-	-	-	1,236,453	1,236,453
Measure M	-	-	-	207,468	207,468
RTI Undersea Cable	-	-	-	329,597	329,597
RTI Undersea Cable Tidelands	-	-	-	239,710	239,710
Storm Drain	-	-	-	792,239	792,239
Total restricted	170,336	-	-	7,677,889	7,848,225
<b>Committed</b>					
Capital Projects	-	209,860	-	-	209,860
In Lieu Fee- Parking Facilities	144,500	-	-	-	144,500
Tyco	-	-	-	935,024	935,024
Retirement Rate Stabilization	1,000,000	-	-	-	1,000,000
Total committed	1,144,500	209,860	-	935,024	2,289,384
<b>Assigned</b>					
Reappropriations- Non-CIP	369,957	-	-	-	369,957
Public Works Capital					
Improvement Projects	730,786	-	-	-	730,786
Sewers and Storm Drains	-	5,877,710	-	-	5,877,710
Contingencies	5,701,016	-	-	-	5,701,016
Community Events	36,466	-	-	-	36,466
TOT Revenues for Fire Services	698,254	-	-	-	698,254
Compensated absences	244,981	-	-	-	244,981
Public Financing Authority	-	-	-	362	362
Capital Projects	-	-	7,190,619	-	7,190,619
Total assigned	7,781,460	5,877,710	7,190,619	362	20,850,151
<b>Total fund balances</b>	<b>\$ 9,574,775</b>	<b>\$ 6,087,570</b>	<b>\$ 7,190,619</b>	<b>\$ 8,622,555</b>	<b>\$ 31,475,519</b>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 12 – Non-City Obligations**

At June 30, 2018, the following special assessment bonds are payable from the proceeds of the special assessment levied and collected on all real property within the special districts. The City is in no way obligated to repay the debt in the event of default and the debt is not recorded in the accompanying financial statements.

***1999 Myrtle Utility Underground District Special Assessment Bonds***

In October 1999, limited obligation improvement bonds in the amount of \$1,159,114 were issued for the Myrtle Avenue Utility Underground Assessment District for the undergrounding of utilities within the district. The City is not financially obligated for payment of the bonds, which are secured by private property in the district. The bonds will be repaid from assessments to the property owners as part of their annual property tax bill.

The annual debt service requirements by year are as follows:

Year ending June 30,	Principal	Interest	Total
2019	75,000	6,756	81,756
2020	80,000	2,300	82,300
<b>Total</b>	<b>\$ 155,000</b>	<b>\$ 9,056</b>	<b>\$ 164,056</b>

***1999 Loma Utility Underground District Special Assessment Bonds***

In October 1999, limited obligation improvement bonds in the amount of \$1,324,653 were issued for the Loma Drive Utility Underground Assessment District for the undergrounding of utilities within the district. The City is not financially obligated for payment of the bonds, which are secured by private property in the district. The bonds will be repaid from assessments to the property owners as part of their annual property tax bill.

The annual debt service requirements by year are as follows:

Year ending June 30,	Principal	Interest	Total
2019	85,000	7,619	92,619
2020	90,000	2,587	92,587
<b>Total</b>	<b>\$ 175,000</b>	<b>\$ 10,206</b>	<b>\$ 185,206</b>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 12 – Non-City Obligations (Continued)**

***2004 Beach Drive Utility Underground Assessment District Special Assessment Bonds***

In July 2004, limited obligation improvement bonds in the amount of \$404,341 were issued for the Beach Drive Utility Underground Assessment District for the undergrounding of utilities within the district. The City is not financially obligated for payment of the bonds, which are secured by private property in the district. The bonds will be repaid from assessments to the property owners as part of their annual property tax bill.

The annual debt service requirements by year are as follows:

Year ending June 30,	Principal	Interest	Total
2019	23,032	7,434	30,466
2020	24,137	6,302	30,439
2021	25,296	5,115	30,411
2022	26,510	3,992	30,502
2023	27,783	2,929	30,712
2024-2025	59,630	2,416	62,046
	<u>\$ 186,388</u>	<u>\$ 28,188</u>	<u>\$ 214,576</u>

***2005 Bayview Drive Utility Underground Assessment District Improvement Bonds***

In February 2005, limited obligation improvement bonds in the amount of \$951,667 were issued for the Bayview Drive Utility Underground Assessment District for the undergrounding of utilities within the district. The City is not financially obligated for payment of the bonds, which are secured by private property in the district. The bonds will be repaid from assessments to the property owners as part of their annual property tax bill.

The annual debt service requirements by year are as follows:

Year ending June 30,	Principal	Interest	Total
2019	41,311	15,996	57,307
2020	43,492	14,194	57,686
2021	45,765	12,297	58,062
2022	48,135	10,301	58,436
2023	50,606	8,203	58,809
2024-2026	167,714	10,926	178,640
<b>Total</b>	<u>\$ 397,023</u>	<u>\$ 71,917</u>	<u>\$ 468,940</u>

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 13 – Commitments and Contingencies**

**A. Commitments**

The City had several outstanding or planned construction and other projects as of June 30, 2018. These projects are evidenced by contractual commitments with contractors and include:

Project	Spent to Date	Commitment Remaining
Permit Software Upgrade and Integration Project	\$ 185,581	\$ 354,419
General Plan & Coastal Plan Update	994,640	23,013
Police Department Radio Upgrades	12,861	720,088
Fire Department Facility and Equipment Conversion	28,298	2,005,373
<b>Total</b>	<b>\$ 1,221,380</b>	<b>\$ 3,102,893</b>

Of the commitments listed above, \$1,841,373 represents commitments in the General Fund, \$1,074,507 represents commitments in internal service funds, and \$187,013 represents commitments in Special Revenue funds.

In January 2000, the North Pier Parking Structure was completed. The parking structure contains 400 parking spaces and was funded in part by a downtown developer in exchange for the use of 100 spaces in the structure. The remainder of the funding was provided by the City's former Downtown Enhancement Enterprise Fund and Prop A Open Space funding contributed by the Los Angeles County Department of Beaches and Harbors ("County"). In consideration of the County contribution, 50% of the annual net income derived from the parking structure must be shared with the County each year by September 1. The payment made to the County for fiscal year 2017-2018 is \$329,209.

**B. Contingencies**

The City is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

**C. Grants**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of noncompliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

**City of Hermosa Beach**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2018**

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**Note 14 – Prior Period Adjustment**

For the year ended June 30 2018, the City is required to implement GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The adoption of this statement requires retrospective application of previously reported net position at July 1, 2017. Accordingly, net position as of July 1, 2017 was restated as follows:

**Reconciliation of the Beginning Net Position:**

Beginning net position, as originally reported	\$ 58,390,922
Prior period adjustment:	
GASB 75, OPEB (Retiree Health) Implementation	1,659,700
Unrecorded sales tax revenue	<u>70,009</u>
Beginning net position, as restated	<u><u>\$ 60,120,631</u></u>

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## **REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

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**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule – General Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Fund balance, July 1, 2017</b>	<u>\$ 9,732,561</u>	<u>\$ 9,732,561</u>	<u>\$ 9,732,561</u>	<u>\$ -</u>
Resources (inflows):				
Property taxes	16,560,552	16,948,122	17,072,844	124,722
Other taxes	10,140,779	10,136,437	10,319,281	182,844
Licenses and permits	1,508,539	1,270,599	787,563	(483,036)
Fines and forfeitures	2,390,136	2,063,979	1,921,215	(142,764)
Use of money and property	739,802	755,752	708,505	(47,247)
Intergovernmental	124,877	125,510	117,774	(7,736)
Charges for services	7,207,605	7,352,742	7,170,767	(181,975)
Miscellaneous	112,301	147,905	177,509	29,604
Interest earned on investments	93,497	191,042	66,019	(125,023)
Transfers in	<u>351,298</u>	<u>351,298</u>	<u>351,298</u>	<u>-</u>
Amount available for appropriatio	<u>48,961,947</u>	<u>49,075,947</u>	<u>48,425,336</u>	<u>(650,611)</u>
Charges to appropriations (outflows):				
Legislative and legal	1,336,915	1,371,353	1,302,500	68,853
General government	4,056,894	3,959,813	3,684,961	274,852
Public safety	22,303,636	22,139,750	21,338,362	801,388
Community development	2,169,058	2,225,764	1,945,096	280,668
Culture and recreation	1,411,417	1,411,417	1,383,630	27,787
Public works	5,150,856	5,293,940	5,087,725	206,215
Capital outlay	2,102,678	2,365,797	544,259	1,821,538
Transfers out	<u>877,479</u>	<u>1,986,139</u>	<u>3,564,028</u>	<u>(1,577,889)</u>
Total charges to appropriations	<u>39,408,933</u>	<u>40,753,973</u>	<u>38,850,561</u>	<u>1,903,412</u>
<b>Fund balance, June 30, 2018</b>	<u><u>\$ 9,553,014</u></u>	<u><u>\$ 8,321,974</u></u>	<u><u>\$ 9,574,775</u></u>	<u><u>\$ 1,252,801</u></u>

**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule – Sewer Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Fund balance, July 1, 2017</b>	<u>\$ 5,375,391</u>	<u>\$ 5,375,391</u>	<u>\$ 5,375,391</u>	<u>\$ -</u>
Resources (inflows):				
Intergovernmental	25,599	13,443	11,482	(1,961)
Charges for services	1,110,687	1,130,630	1,130,531	(99)
Interest earned on investments	<u>44,804</u>	<u>119,653</u>	<u>44,686</u>	<u>(74,967)</u>
Amount available for appropriation	<u>6,556,481</u>	<u>6,639,117</u>	<u>6,562,090</u>	<u>(77,027)</u>
Charges to appropriations (outflows):				
Public works	403,691	406,910	327,272	79,638
Capital outlay	<u>1,332,085</u>	<u>2,732,782</u>	<u>147,248</u>	<u>2,585,534</u>
Total charges to appropriations	<u>1,735,776</u>	<u>3,139,692</u>	<u>474,520</u>	<u>2,665,172</u>
<b>Fund balance, June 30, 2018</b>	<u><u>\$ 4,820,705</u></u>	<u><u>\$ 3,499,425</u></u>	<u><u>\$ 6,087,570</u></u>	<u><u>\$ 2,588,145</u></u>

**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule – Capital Improvements Capital Project Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>Fund balance, July 1, 2017</b>	<u>\$ 7,537,724</u>	<u>\$ 7,537,724</u>	<u>\$ 7,537,724</u>	<u>\$ -</u>
Resources (inflows):				
Miscellaneous	-	28,470	39,212	10,742
Interest earned on investments	<u>61,554</u>	<u>157,984</u>	<u>41,655</u>	<u>(116,329)</u>
Amount available for appropriation	<u>7,599,278</u>	<u>7,724,178</u>	<u>7,618,591</u>	<u>(105,587)</u>
Charges to appropriations (outflows):				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	<u>4,681,316</u>	<u>3,065,067</u>	<u>427,973</u>	<u>2,637,094</u>
Total charges to appropriations	<u>4,681,316</u>	<u>3,065,067</u>	<u>427,973</u>	<u>2,637,094</u>
<b>Fund balance, June 30, 2018</b>	<u><u>\$ 2,917,962</u></u>	<u><u>\$ 4,659,111</u></u>	<u><u>\$ 7,190,618</u></u>	<u><u>\$ 2,531,507</u></u>

**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Notes to the Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

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**Budgetary Control and Accounting Policy**

Budgets are annually adopted for all governmental and proprietary fund types on a basis consistent with generally accepted accounting principles. The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the “*annual appropriated budget*.”

The appropriated budget is prepared by fund, department and division. The City Council may amend the budget by motion during the fiscal year. Expenditures may not legally exceed appropriations at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within the same fund; however, any transfers between funds or revisions that alter total appropriations of any fund require City Council approval. The legal level of control is therefore at the fund level.

Supplemental appropriations, which increase appropriations, were made during the fiscal year, therefore, “final” budgeted revenue and appropriation amounts shown in the financial statements represent the original budget, modified for adjustments during the year. Appropriations lapse at the end of the fiscal year.

**Encumbrances** - Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Unexpended appropriations lapse at year-end.

**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2018**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan**

	June 30, 2017 <sup>1</sup>	June 30, 2016 <sup>1</sup>	June 30, 2015 <sup>1</sup>	June 30, 2014 <sup>1</sup>
City's Proportion of the Net Pension Liability/(Asset)	0.14664%	0.14882%	0.15099%	0.16331%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 14,542,712	\$ 12,877,883	\$ 10,364,015	\$ 10,161,668
City's Covered Payroll	\$ 6,785,443	\$ 6,540,869	\$ 5,700,485	\$ 5,355,599
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	<u>214.32%</u>	<u>196.88%</u>	<u>181.81%</u>	<u>189.74%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>72.80%</u>	<u>73.59%</u>	<u>78.00%</u>	<u>78.34%</u>

**California Public Employees' Retirement System ("CalPERS") Safety Plan**

	June 30, 2017 <sup>1</sup>	June 30, 2016 <sup>1</sup>	June 30, 2015 <sup>1</sup>	June 30, 2014 <sup>1</sup>
City's Proportion of the Net Pension Liability/(Asset)	0.35213%	0.37217%	0.40019%	0.42012%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 34,921,802	\$ 32,204,127	\$ 27,469,000	\$ 26,141,972
City's Covered Payroll	\$ 5,597,657	\$ 5,342,937	\$ 5,492,822	\$ 5,065,109
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	<u>623.86%</u>	<u>602.74%</u>	<u>500.09%</u>	<u>516.12%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>69.01%</u>	<u>68.78%</u>	<u>72.40%</u>	<u>74.24%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. The measurement date 2014 was the first year of implementation, therefore only four years are presented.

**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of the City's Contributions - Pension**  
**For the Year Ended June 30, 2018**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan**

	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially Determined Contribution	\$ 527,115	\$ 518,722	\$ 469,656	\$ 883,493	\$ 799,637
Contribution in Relation to the Actuarially Determined Contribution	(1,516,745)	(1,379,151)	(1,245,120)	(883,493)	(799,637)
Contribution Deficiency (Excess)	\$ (989,630)	\$ (860,429)	\$ (775,464)	\$ -	\$ -
Covered Payroll <sup>2</sup>	\$ 7,402,032	\$ 6,785,443	\$ 6,540,869	\$ 5,700,485	\$ 5,355,599
Contributions as a Percentage of Covered Payroll	20.49%	20.33%	19.04%	15.50%	14.93%

**California Public Employees' Retirement System ("CalPERS") Safety Plan**

	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially Determined Contribution	\$ 1,016,858	\$ 1,029,129	\$ 1,033,371	\$ 2,842,420	\$ 1,923,392
Contribution in Relation to the Actuarially Determined Contribution	(4,226,782)	(3,921,179)	(3,698,115)	(2,842,420)	(1,923,392)
Contribution Deficiency (Excess)	\$ (3,209,924)	\$ (2,892,050)	\$ (2,664,744)	\$ -	\$ -
Covered Payroll <sup>2</sup>	\$ 5,320,583	\$ 5,597,651	\$ 5,342,937	\$ 5,492,822	\$ 5,065,109
Contributions as a Percentage of Covered Payroll	79.44%	70.05%	69.22%	51.75%	37.97%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. The fiscal year 2014 was the first year of implementation, therefore only five years are presented.

<sup>2</sup> Covered Payroll represented above is based on pensionable earnings provided by the employer.

**Notes to Schedule**

Changes of Assumptions: The discount rate was changed from 7.65% to 7.15% from June 30, 2016 to June 30, 2017 (measurement date).



**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2018**

Last Ten Fiscal Years

For the Measurement Period:	2016-2017
<b>Total OPEB Liability:</b>	
Service Cost	\$ 326,000
Interest on the total OPEB liability	624,000
Changes in benefit terms	(381,000)
Difference between expected and actual experience	-
Changes in assumptions	-
Contribution from the employer	-
Benefit payments	(399,000)
<b>Net changes in Total OPEB Liability</b>	170,000
<b>Beginning of Year</b>	10,271,000
<b>End of Year</b>	\$ 10,441,000
<b>Plan Fiduciary Net Position:</b>	
Employer contribution	\$ 1,050,000
Employee contributions	-
Net investment income	906,000
Administrative expenses	(23,000)
Benefit payments	(399,000)
Other	-
<b>Net changes in Fiduciary Net Position</b>	1,534,000
<b>Beginning of Year</b>	8,316,000
<b>End of Year</b>	\$ 9,850,000
<b>Net OPEB Liability</b>	\$ 591,000
<b>Fiduciary Net Position as a % of Total OPEB Liability</b>	94.34%
<b>Covered Payroll</b>	\$ 11,551,135
<b>Net OPEB Liability as a % of Payroll</b>	5.12%

\* 2018 is first year of implementation, therefore only one year is available for the required 10-year schedule.

**City of Hermosa Beach**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of the City's Contributions - OPEB**  
**For the Year Ended June 30, 2018**

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**Last Ten Fiscal Years**

<b>For the Measurement Period:</b>	<u>2017-18</u>	<u>2016-17</u>
Actuarially Determined Contributions	\$ 818,000	\$ 818,000
Contributions in relation to the actuarially determined contribution	<u>(1,569,000)</u>	<u>(1,050,000)</u>
Contribution deficiency (excess)	<u>\$ (751,000)</u>	<u>\$ (232,000)</u>
Covered-employee payroll	<u>\$ 11,551,135</u>	<u>\$ 10,955,041</u>
Contributions as a percentage of covered payroll	13.58%	9.58%

\* 2018 is first year of implementation, therefore only two years of contributions are available for the required 10-year schedule.

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# **SUPPLEMENTARY INFORMATION**

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# NON MAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds:

***Lighting and Landscaping District Fund*** - This fund is used to account for the Lighting Assessment District, which was created for street lighting/median maintenance purposes pursuant to Street and Highway Code 22500-22679.

***State Gas Tax Fund*** - This fund is used to account for the City's share of state gasoline tax, which is restricted for use on public streets. Restricted Transportation Development Act funds from Los Angeles County Transportation Commission for the Strand Walkway Project and Bicycle Path Project are also accounted for in this fund.

***AB 939 Fund*** - This fund is used to account for the fees collected in connection with solid waste collection. The fees are used to implement a Source Reduction and Recycling Element and a Household Waste Element.

***Prop A Open Space Fund*** - This fund is used to account for funds generated by passage of the L.A. County Safe Neighborhood Parks Bond Act by County voters for the purpose of improving parks and recreational facilities.

***Tyco Fund*** - This fund is used to account for funds received from an easement granted for construction of a transpacific, submarine fiber optic cable system originating in Japan with a landing in Hermosa Beach. The project will provide additional capacity.

***Tyco Tidelands Fund*** - This fund is used to account for the portion of the funds specific to the tidelands and submerged lands received from an easement granted for construction of a transpacific, submarine fiber optic cable system originating in Japan with a landing in Hermosa Beach that were set aside to build one new restroom and rehabilitate three existing restrooms at the beach.

***Parks/Recreation Facilities Tax Fund*** - This fund is used to account for revenue from subdivision fees and park or recreation facility tax fees on new dwellings. Generally, the funds are to be used for acquisition, improvements and expansion of park or recreational facilities.

***Bayview Drive Administrative Expense Fund*** - This fund is used to account for all administrative expenditures required for the Bayview Utility Underground Special Assessment District.

***Lower Pier Administrative Expense Fund*** - This fund is used to account for all administrative expenditures required for the Lower Pier District. These funds are invested but interest is not allocated to this fund because it is not required by the bond documents.

***Myrtle District Administrative Expense Fund*** - This fund is used to account for all administrative expenditures required for the Myrtle Avenue Utility Underground Special Assessment District.

***Loma District Administrative Expense Fund*** - This fund is used to account for all administrative expenditures required for the Loma Drive Utility Underground Special Assessment District.

***Beach Drive Assessment District Administrative Expense Fund*** - This fund is used to account for all administrative expenditures required for the Loma Drive Utility Underground Special Assessment District.

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# NON MAJOR GOVERNMENTAL FUNDS (Continued)

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## Special Revenue Funds (Continued):

**Proposition "A" Transit Fund** - Transit revenue consists primarily of Proposition A fund (the 1/2 cent sales tax for Los Angeles County transportation purposes). The City currently operates a Dial-a-Ride program for seniors, a taxi voucher program, a commuter bus, special event and after school program shuttles and subsidizes bus passes for senior citizens and students.

**Proposition "C" Fund** - This is a fund which was added during 1992 to account for funds allocated from the voter-approved 1/2 cent sales tax. Funds must be used for transit purposes.

**Measure "R" Fund** - This is a fund which was added July 1, 2009 to account for a 1/2 cent sales tax approved by Los Angeles County voters in November 2008 to meet the transportation needs of Los Angeles County. The program is to be used for transportation projects that have been approved by the Los Angeles County Metropolitan Transit Authority.

**Air Quality Management District Fund** - This fund is used to account for funds distributed by the South Coast Air Quality Management district. The revenues are restricted to programs which promote reduction in air pollution from motor vehicles.

**Supplemental Law Enforcement Services Fund** - This fund is used to account for funds received from the Citizen Option for Public Safety ("COPS") program, established by the State Legislature in fiscal year 1996-1997. Funds must be used for front line municipal police services and must supplement and not supplant existing funding.

**Asset Seizure and Forfeiture Fund** - This fund is used to account for property seized as a result of illegal activity and forfeited to the Police Department. Funds must be used for law enforcement purposes to supplement, not replace or decrease, existing appropriations.

**Fire Protection Fund** - This fund is used to account for fire flow fees which are used to upgrade and enhance the fire flow capabilities of the fire protection system in the City and for upgrades to fire facilities.

**Community Development Block Grant (CDBG) Fund** - This fund is used to track the costs related to community development block grant.

**Measure "M" Fund** - This fund is used to account for voter-approved 1/2 cent sales tax for a Los Angeles County Traffic Improvement Plan to improve freeway traffic flow/safety; repair potholes/sidewalks; repave local streets; earthquake-retrofit bridges; synchronize signals; keep senior/disabled/student fares affordable; expand rail/subway/bus systems; improve job/school/airport connections; and create jobs.

**RTI Undersea Cable Fund** - This fund is used to account for funds received from an easement granted for construction of a transpacific, submarine fiber optic cable system with a landing in Hermosa Beach. The project will provide additional capacity for global voice and data transmission and global access to planned and existing land-based communication networks in the

**RTI Undersea Cable Tidelands Fund** - This fund is used to account for funds set aside according to the MC Global (now RTI-I) easement agreement for easement within tidelands and submerged lands.

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# NON MAJOR GOVERNMENTAL FUNDS (Continued)

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Special Revenue Funds (Continued):

**Grants Special Revenue Fund** - This fund is used to support eligible public service agencies.

**Storm Drain Special Revenue Fund** - This fund is used to account for maintenance of the City's storm drains. This includes administration of the national Pollution Discharge Elimination System Program.

Debt Service Fund:

**2015 Lease Revenue Bond** - This fund is used to account for 2015 Lease Revenue Bond.

**City of Hermosa Beach**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Lighting and Landscaping District	State Gas Tax	AB 939	Prop A Open Space
<b>ASSETS</b>				
Cash and investments	\$ 72,050	\$ 236,687	\$ 61,333	\$ -
Accounts receivable	15,000	76,905	3,826	26,697
Property taxes receivable, net	7,358	-	-	-
Reimbursable grants receivable	-	-	-	-
Interest receivable	84	269	29	-
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 94,492</b>	<b>\$ 313,861</b>	<b>\$ 65,188</b>	<b>\$ 26,697</b>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 40,082	\$ -	\$ 18,575	\$ -
Accrued wages and benefits payable	8,374	-	1,103	-
Due to other funds	-	-	-	26,697
Compensated absences, due within one year	5,459	-	306	-
<b>Total liabilities</b>	<b>53,915</b>	<b>-</b>	<b>19,984</b>	<b>26,697</b>
<b>Deferred inflows of resources:</b>				
Unavailable Revenues	7,358	-	-	-
<b>Total deferred inflows of resources</b>	<b>7,358</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	33,219	313,861	45,204	-
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<b>33,219</b>	<b>313,861</b>	<b>45,204</b>	<b>-</b>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<b>\$ 94,492</b>	<b>\$ 313,861</b>	<b>\$ 65,188</b>	<b>\$ 26,697</b>

(Continued)

**City of Hermosa Beach**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Tyco	Tyco Tidelands	Parks/ Recreation Facilities Tax	Bayview Drive Administrative Expense
<b>ASSETS</b>				
Cash and investments	\$ 941,712	\$ -	\$ 187,315	\$ 2,606
Accounts receivable	-	-	1,450	-
Property taxes receivable, net	-	-	-	-
Reimbursable grants receivable	-	-	-	-
Interest receivable	548	-	320	2
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 942,260</b>	<b>\$ -</b>	<b>\$ 189,085</b>	<b>\$ 2,608</b>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 7,236	\$ -	\$ 10,444	\$ 355
Accrued wages and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Compensated absences, due within one year	-	-	-	-
<b>Total liabilities</b>	<b>7,236</b>	<b>-</b>	<b>10,444</b>	<b>355</b>
<b>Deferred inflows of resources:</b>				
Unavailable Revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	178,641	2,253
Committed	935,024	-	-	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<b>935,024</b>	<b>-</b>	<b>178,641</b>	<b>2,253</b>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<b>\$ 942,260</b>	<b>\$ -</b>	<b>\$ 189,085</b>	<b>\$ 2,608</b>

(Continued)

**City of Hermosa Beach**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Lower Pier Administrative Expense	Myrtle District Administrative Expense	Loma District Administrative Expense	Beach Drive Assessment District Admin Expense
<b>ASSETS</b>				
Cash and investments	\$ 301	\$ 7,934	\$ 17,395	\$ 2,966
Accounts receivable	-	-	-	-
Property taxes receivable, net	-	-	-	-
Reimbursable grants receivable	-	-	-	-
Interest receivable	-	11	17	3
Other assets	-	-	-	-
<b>Total assets</b>	<u>\$ 301</u>	<u>\$ 7,945</u>	<u>\$ 17,412</u>	<u>\$ 2,969</u>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 301	\$ 405	\$ 482	\$ 340
Accrued wages and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Compensated absences, due within one year	-	-	-	-
<b>Total liabilities</b>	<u>301</u>	<u>405</u>	<u>482</u>	<u>340</u>
<b>Deferred inflows of resources:</b>				
Unavailable Revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	7,540	16,930	2,629
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>7,540</u>	<u>16,930</u>	<u>2,629</u>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<u>\$ 301</u>	<u>\$ 7,945</u>	<u>\$ 17,412</u>	<u>\$ 2,969</u>

(Continued)

**City of Hermosa Beach**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Proposition "A" Transit	Proposition "C"	Measure "R"	Air Quality Management District
<b>ASSETS</b>				
Cash and investments	\$ 1,401,520	\$ 1,296,565	\$ 959,834	\$ 52,701
Accounts receivable	-	-	10,000	13,223
Property taxes receivable, net	-	-	-	-
Reimbursable grants receivable	-	-	-	-
Interest receivable	766	776	517	31
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 1,402,286</b>	<b>\$ 1,297,341</b>	<b>\$ 970,351</b>	<b>\$ 65,955</b>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 89,439	\$ 150,353	\$ -	\$ 53,265
Accrued wages and benefits payable	226	1	188	204
Due to other funds	-	-	-	-
Compensated absences, due within one year	-	-	-	-
<b>Total liabilities</b>	<b>89,665</b>	<b>150,354</b>	<b>188</b>	<b>53,469</b>
<b>Deferred inflows of resources:</b>				
Unavailable Revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	1,312,621	1,146,987	970,163	12,486
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<b>1,312,621</b>	<b>1,146,987</b>	<b>970,163</b>	<b>12,486</b>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<b>\$ 1,402,286</b>	<b>\$ 1,297,341</b>	<b>\$ 970,351</b>	<b>\$ 65,955</b>

(Continued)

**City of Hermosa Beach**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Supplemental Law Enforcement Services	Asset Seizure and Forfeiture	Fire Protection	CDBG
<b>ASSETS</b>				
Cash and investments	\$ 242,014	\$ 507,515	\$ 78,337	\$ -
Accounts receivable	-	2,074	-	4,971
Property taxes receivable, net	-	-	-	-
Reimbursable grants receivable	-	-	-	-
Interest receivable	200	250	53	-
Other assets	9,280	-	-	-
<b>Total assets</b>	<b>\$ 251,494</b>	<b>\$ 509,839</b>	<b>\$ 78,390</b>	<b>\$ 4,971</b>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 555	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Compensated absences, due within one year	-	-	-	-
<b>Total liabilities</b>	<b>555</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable Revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	9,280	-	-	-
Restricted	241,659	509,839	78,390	4,971
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<b>250,939</b>	<b>509,839</b>	<b>78,390</b>	<b>4,971</b>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<b>\$ 251,494</b>	<b>\$ 509,839</b>	<b>\$ 78,390</b>	<b>\$ 4,971</b>

(Continued)

**City of Hermosa Beach**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds			
	Measure "M"	RTI Undersea Cable	RTI Undersea Cable Tidelands	Grants
<b>ASSETS</b>				
Cash and investments	\$ 205,551	\$ 326,198	\$ 237,238	\$ 909,554
Accounts receivable	-	-	-	43,850
Property taxes receivable, net	-	-	-	-
Reimbursable grants receivable	-	-	-	346,240
Interest receivable	1,917	3,399	2,472	-
Other assets	-	-	-	-
<b>Total assets</b>	<u>\$ 207,468</u>	<u>\$ 329,597</u>	<u>\$ 239,710</u>	<u>\$ 1,299,644</u>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 68,114
Accrued wages and benefits payable	-	-	-	-
Due to other funds	-	-	-	1
Compensated absences, due within one year	-	-	-	47
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,162</u>
<b>Deferred inflows of resources:</b>				
Unavailable Revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	207,468	329,597	239,710	1,231,482
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balances</b>	<u>207,468</u>	<u>329,597</u>	<u>239,710</u>	<u>1,231,482</u>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<u>\$ 207,468</u>	<u>\$ 329,597</u>	<u>\$ 239,710</u>	<u>\$ 1,299,644</u>

(Continued)

**City of Hermosa Beach**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special		
	Revenue Funds	Debt Service Fund	
	Storm Drain	2015 Lease Revenue Bond	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 847,813	\$ 362	\$ 8,595,501
Accounts receivable	-	-	197,996
Property taxes receivable, net	-	-	7,358
Reimbursable grants receivable	-	-	346,240
Interest receivable	-	-	11,664
Other assets	-	-	9,280
<b>Total assets</b>	<b>\$ 847,813</b>	<b>\$ 362</b>	<b>\$ 9,168,039</b>
<b>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 45,068	\$ -	\$ 485,014
Accrued wages and benefits payable	5,596	-	15,692
Due to other funds	-	-	26,698
Compensated absences, due within one year	4,910	-	10,722
<b>Total liabilities</b>	<b>55,574</b>	<b>-</b>	<b>538,126</b>
<b>Deferred inflows of resources:</b>			
Unavailable Revenues	-	-	7,358
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>7,358</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	9,280
Restricted	792,239	-	7,677,889
Committed	-	-	935,024
Assigned	-	362	362
<b>Total fund balances</b>	<b>792,239</b>	<b>362</b>	<b>8,622,555</b>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<b>\$ 847,813</b>	<b>\$ 362</b>	<b>\$ 9,168,039</b>

(Concluded)



**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Funds			
	Lighting and Landscaping District	State Gas Tax	AB 939	Prop A Open Space
<b>REVENUES:</b>				
Property taxes	\$ 457,648	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Intergovernmental	-	513,168	-	20,557
Charges for services	-	-	58,616	-
Miscellaneous	-	-	-	-
Interest earned on investments	(518)	(18)	120	-
<b>Total revenues</b>	<u>457,130</u>	<u>513,150</u>	<u>58,736</u>	<u>20,557</u>
<b>EXPENDITURES:</b>				
Current:				
Legislative and legal	-	-	-	-
General government	-	-	42,421	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	593,073	-	-	-
Capital outlay	-	36,302	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>593,073</u>	<u>36,302</u>	<u>42,421</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(135,943)</u>	<u>476,848</u>	<u>16,315</u>	<u>20,557</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	133,154	-	-	-
Transfers out	(11,054)	(302,266)	-	(20,557)
<b>Total other financing sources (uses)</b>	<u>122,100</u>	<u>(302,266)</u>	<u>-</u>	<u>(20,557)</u>
<b>CHANGES IN FUND BALANCES</b>	<u>(13,843)</u>	<u>174,582</u>	<u>16,315</u>	<u>-</u>
<b>FUND BALANCES:</b>				
Beginning of year	47,062	139,279	28,889	-
End of year	<u>\$ 33,219</u>	<u>\$ 313,861</u>	<u>\$ 45,204</u>	<u>\$ -</u>

(Continued)

**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Funds			
	Tyco	Tyco Tidelands	Parks/ Recreation Facility Tax	Bayview Drive Administrative Expense
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	318,846	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	150,756	-
Miscellaneous	-	-	-	4,498
Interest earned on investments	5,836	29	1,208	14
<b>Total revenues</b>	<b>324,682</b>	<b>29</b>	<b>151,964</b>	<b>4,512</b>
<b>EXPENDITURES:</b>				
Current:				
Legislative and legal	-	-	-	-
General government	-	-	-	1,502
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	27,633	-
Capital outlay	58,806	3,743	68,454	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>58,806</b>	<b>3,743</b>	<b>96,087</b>	<b>1,502</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>265,876</b>	<b>(3,714)</b>	<b>55,877</b>	<b>3,010</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(2,307)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,307)</b>
<b>CHANGES IN FUND BALANCES</b>	<b>265,876</b>	<b>(3,714)</b>	<b>55,877</b>	<b>703</b>
<b>FUND BALANCES:</b>				
Beginning of year	669,148	3,714	122,764	1,550
End of year	<u>\$ 935,024</u>	<u>\$ -</u>	<u>\$ 178,641</u>	<u>\$ 2,253</u>

(Continued)

**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Funds			
	Lower Pier Administrative Expense	Myrtle District Administrative Expense	Loma District Administrative Expense	Beach Drive Assessment District Admin Expense
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	9,000	10,000	3,500
Interest earned on investments	-	88	154	26
<b>Total revenues</b>	<u>-</u>	<u>9,088</u>	<u>10,154</u>	<u>3,526</u>
<b>EXPENDITURES:</b>				
Current:				
Legislative and legal	-	-	-	-
General government	115	5,403	3,539	1,416
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>115</u>	<u>5,403</u>	<u>3,539</u>	<u>1,416</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(115)</u>	<u>3,685</u>	<u>6,615</u>	<u>2,110</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	(2,249)	(5,264)	(5,710)	(1,891)
<b>Total other financing sources (uses)</b>	<u>(2,249)</u>	<u>(5,264)</u>	<u>(5,710)</u>	<u>(1,891)</u>
<b>CHANGES IN FUND BALANCES</b>	(2,364)	(1,579)	905	219
<b>FUND BALANCES:</b>				
Beginning of year	2,364	9,119	16,025	2,410
End of year	<u>\$ -</u>	<u>\$ 7,540</u>	<u>\$ 16,930</u>	<u>\$ 2,629</u>

(Continued)

**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Funds			
	Proposition "A" Transit	Proposition "C"	Measure "R"	Air Quality Management District
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	369,353	306,503	229,467	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	-	-	-
Intergovernmental	-	-	-	2,052
Charges for services	5,386	-	-	-
Miscellaneous	-	-	6,668	-
Interest earned on investments	9,910	13,518	6,077	893
<b>Total revenues</b>	<b>384,649</b>	<b>320,021</b>	<b>242,212</b>	<b>2,945</b>
<b>EXPENDITURES:</b>				
Current:				
Legislative and legal	-	-	-	-
General government	8,715	-	-	2,971
Public safety	57,907	-	-	-
Community development	69,432	-	-	-
Culture and recreation	63,366	-	-	-
Public works	-	8,597	-	-
Capital outlay	-	436,019	6,669	66,135
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>199,420</b>	<b>444,616</b>	<b>6,669</b>	<b>69,106</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>185,229</b>	<b>(124,595)</b>	<b>235,543</b>	<b>(66,161)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN FUND BALANCES</b>	<b>185,229</b>	<b>(124,595)</b>	<b>235,543</b>	<b>(66,161)</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,127,392	1,271,582	734,620	78,647
End of year	<u>\$ 1,312,621</u>	<u>\$ 1,146,987</u>	<u>\$ 970,163</u>	<u>\$ 12,486</u>

(Continued)

**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Funds			
	Supplemental Law Enforcement Services	Asset Seizure and Forfeiture	Fire Protection	CDBG
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	116,348	-	-	-
Fines and forfeitures	-	268,068	-	-
Use of money and property	-	-	-	-
Intergovernmental	-	-	-	4,971
Charges for services	-	-	14,508	-
Miscellaneous	-	-	-	-
Interest earned on investments	1,515	3,193	1,140	-
<b>Total revenues</b>	<b>117,863</b>	<b>271,261</b>	<b>15,648</b>	<b>4,971</b>
<b>EXPENDITURES:</b>				
Current:				
Legislative and legal	-	-	-	-
General government	-	-	-	-
Public safety	33,893	7,657	28,297	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	3,319	98	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>37,212</b>	<b>7,755</b>	<b>28,297</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>80,651</b>	<b>263,506</b>	<b>(12,649)</b>	<b>4,971</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGES IN FUND BALANCES</b>	<b>80,651</b>	<b>263,506</b>	<b>(12,649)</b>	<b>4,971</b>
<b>FUND BALANCES:</b>				
Beginning of year	170,288	246,333	91,039	-
End of year	<u>\$ 250,939</u>	<u>\$ 509,839</u>	<u>\$ 78,390</u>	<u>\$ 4,971</u>

(Continued)

**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Fund			
	Measure "M"	RTI Undersea Cable	RTI Tidelands	Grants
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	207,948	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	-	329,597	239,710	-
Intergovernmental	-	-	-	90,765
Charges for services	-	-	-	-
Miscellaneous	-	-	-	924,247
Interest earned on investments	(480)	-	-	-
<b>Total revenues</b>	<u>207,468</u>	<u>329,597</u>	<u>239,710</u>	<u>1,015,012</u>
<b>EXPENDITURES:</b>				
Current:				
Legislative and legal	-	-	-	10,761
General government	-	-	-	-
Public safety	-	-	-	2,293
Community development	-	-	-	19,707
Culture and recreation	-	-	-	-
Public works	-	-	-	4,503
Capital outlay	-	-	-	349,499
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,763</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>207,468</u>	<u>329,597</u>	<u>239,710</u>	<u>628,249</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from lease revenue bond	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN FUND BALANCES</b>	<u>207,468</u>	<u>329,597</u>	<u>239,710</u>	<u>628,249</u>
<b>FUND BALANCES:</b>				
Beginning of year	-	-	-	603,233
End of year	<u>\$ 207,468</u>	<u>\$ 329,597</u>	<u>\$ 239,710</u>	<u>\$ 1,231,482</u>

(Continued)

**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Fund	Debt Service Fund	
	Storm Drain	2015 Lease Revenue Bond	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
Property taxes	\$ -	\$ -	\$ 457,648
Other taxes	700,000	-	1,929,619
Fines and forfeitures	-	-	268,068
Use of money and property	-	-	888,153
Intergovernmental	-	-	631,513
Charges for services	-	-	229,266
Miscellaneous	-	-	957,913
Interest earned on investments	(10,278)	-	32,427
<b>Total revenues</b>	<u>689,722</u>	<u>-</u>	<u>5,394,607</u>
<b>EXPENDITURES:</b>			
Current:			
Legislative and legal	-	-	10,761
General government	-	-	66,082
Public safety	-	-	130,047
Community development	-	-	89,139
Culture and recreation	-	-	63,366
Public works	294,722	-	928,528
Capital outlay	16,293	-	1,045,337
Debt service:			
Principal	-	434,992	434,992
Interest and fiscal charges	-	355,738	355,738
<b>Total expenditures</b>	<u>311,015</u>	<u>790,730</u>	<u>3,123,990</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>378,707</u>	<u>(790,730)</u>	<u>2,270,617</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from lease revenue bond	-	-	-
Transfers in	-	787,390	920,544
Transfers out	-	-	(351,298)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>787,390</u>	<u>569,246</u>
<b>CHANGES IN FUND BALANCES</b>	378,707	(3,340)	2,839,863
<b>FUND BALANCES:</b>			
Beginning of year	413,532	3,702	5,782,692
End of year	<u>\$ 792,239</u>	<u>\$ 362</u>	<u>\$ 8,622,555</u>

(Concluded)

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Lighting and Landscaping District Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 47,062	\$ 47,062	\$ -
Resources (inflows):			
Property taxes	456,100	457,648	1,548
Interest earned on investments	-	(518)	(518)
Transfers in	133,154	133,154	-
Amount available for appropriation	636,316	637,346	1,030
Charges to appropriations (outflows):			
Public works	625,262	593,073	32,189
Transfers out	11,054	11,054	-
Total charges to appropriations	636,316	604,127	32,189
<b>Fund balance, June 30, 2018</b>	\$ -	\$ 33,219	\$ 33,219



**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**State Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 139,279	\$ 139,279	\$ -
Resources (inflows):			
Intergovernmental	572,042	513,168	(58,874)
Interest earned on investments	1,913	(18)	(1,931)
Amount available for appropriation	713,234	652,429	(60,805)
Charges to appropriations (outflows):			
Public works	0	-	-
Capital outlay	325,321	36,302	289,019
Transfers out	302,266	302,266	-
Total charges to appropriations	627,587	338,568	289,019
<b>Fund balance, June 30, 2018</b>	<u>\$ 85,647</u>	<u>\$ 313,861</u>	<u>\$ 228,214</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**AB 939 Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 28,889	\$ 28,889	\$ -
Resources (inflows):			
Charges for services	58,632	58,616	(16)
Interest earned on investments	904	120	(784)
Amount available for appropriation	88,425	87,625	(800)
Charges to appropriations (outflows):			
General government	34,547	42,421	(7,874)
Total charges to appropriations	34,547	42,421	(7,874)
<b>Fund balance, June 30, 2018</b>	<u>\$ 53,878</u>	<u>\$ 45,204</u>	<u>\$ (8,674)</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Prop A Open Space Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ -	\$ -	\$ -
Resources (inflows):			
Intergovernmental	-	20,557	20,557
Amount available for appropriation	-	20,557	20,557
Charges to appropriations (outflows):			
Transfers out	20,557	20,557	-
Total charges to appropriations	20,557	20,557	-
<b>Fund balance, June 30, 2018</b>	<u><u>\$ (20,557)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,557</u></u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Tyco Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 669,148	\$ 669,148	\$ -
Resources (inflows):			
Use of money and property	318,845	318,846	1
Miscellaneous	-	-	-
Interest earned on investments	16,096	5,836	(10,260)
Amount available for appropriation	1,004,089	993,830	(10,259)
Charges to appropriations (outflows):			
Capital outlay	444,018	58,806	385,212
Total charges to appropriations	444,018	58,806	385,212
<b>Fund balance, June 30, 2018</b>	<u>\$ 560,071</u>	<u>\$ 935,024</u>	<u>\$ 374,953</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Tyco Tidelands Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 3,714	\$ 3,714	\$ -
Resources (inflows):			
Interest earned on investments	25	29	4
Amount available for appropriation	3,739	3,743	4
Charges to appropriations (outflows):			
Capital outlay	3,728	3,743	(15)
Total charges to appropriations	3,728	3,743	(15)
<b>Fund balance, June 30, 2018</b>	\$ 11	\$ -	\$ (11)

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Parks/Recreation Facilities Tax Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 122,764	\$ 122,764	\$ -
Resources (inflows):			
Charge for services	226,620	150,756	(75,864)
Interest earned on investments	4,155	1,208	(2,947)
Amount available for appropriation	353,539	274,728	(78,811)
Charges to appropriations (outflows):			
Culture and recreation	-	-	-
Public works	27,633	27,633	-
Capital outlay	200,643	68,454	132,189
Total charges to appropriations	228,276	96,087	132,189
<b>Fund balance, June 30, 2018</b>	<u>\$ 125,263</u>	<u>\$ 178,641</u>	<u>\$ 53,378</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Bayview Drive Administrative Expense Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 1,550	\$ 1,550	\$ -
Resources (inflows):			
Miscellaneous	4,500	4,498	(2)
Interest earned on investments	48	14	(34)
Amount available for appropriation	6,098	6,062	(36)
Charges to appropriations (outflows):			
General government	1,785	1,502	283
Transfers out	2,307	2,307	-
Total charges to appropriations	4,092	3,809	283
<b>Fund balance, June 30, 2018</b>	<u>\$ 2,006</u>	<u>\$ 2,253</u>	<u>\$ 247</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Lower Pier Administrative Expense Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 2,364	\$ 2,364	\$ -
Resources (inflows):			
Miscellaneous	-	-	-
Amount available for appropriation	2,364	2,364	-
Charges to appropriations (outflows):			
General government	1,405	115	1,290
Transfers out	2,249	2,249	-
Total charges to appropriations	3,654	2,364	1,290
<b>Fund balance, June 30, 2018</b>	<u>\$ (1,290)</u>	<u>\$ -</u>	<u>\$ 1,290</u>



**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Myrtle District Administrative Expense Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 9,119	\$ 9,119	\$ -
Resources (inflows):			
Miscellaneous	9,000	9,000	-
Interest earned on investments	229	88	(141)
Amount available for appropriation	18,348	18,207	(141)
Charges to appropriations (outflows):			
General government	6,183	5,403	780
Transfers out	5,264	5,264	-
Total charges to appropriations	11,447	10,667	780
<b>Fund balance, June 30, 2018</b>	\$ 6,901	\$ 7,540	\$ 639

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Loma District Administrative Expense Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 16,025	\$ 16,025	\$ -
Resources (inflows):			
Miscellaneous	10,000	10,000	-
Interest earned on investments	403	154	(249)
Amount available for appropriation	26,428	26,179	(249)
Charges to appropriations (outflows):			
General government	6,175	3,539	2,636
Transfers out	5,710	5,710	-
Total charges to appropriations	11,885	9,249	2,636
<b>Fund balance, June 30, 2018</b>	<u>\$ 14,543</u>	<u>\$ 16,930</u>	<u>\$ 2,387</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Beach Drive Assessment District Administrative Expense Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 2,410	\$ 2,410	\$ -
Resources (inflows):			
Miscellaneous	3,500	3,500	-
Interest earned on investments	65	26	(39)
Amount available for appropriation	5,975	5,936	(39)
Charges to appropriations (outflows):			
General government	1,650	1,416	234
Transfers out	1,891	1,891	-
Total charges to appropriations	3,541	3,307	234
<b>Fund balance, June 30, 2018</b>	\$ 2,434	\$ 2,629	\$ 195

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Proposition "A" Transit Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 1,127,392	\$ 1,127,392	\$ -
Resources (inflows):			
Other taxes	367,353	369,353	2,000
Charges for services	6,060	5,386	(674)
Interest earned on investments	27,092	9,910	(17,182)
Amount available for appropriation	1,527,897	1,512,041	(15,856)
Charges to appropriations (outflows):			
General government	15,706	8,715	6,991
Public safety	76,000	57,907	18,093
Community development	34,008	69,432	(35,424)
Culture and recreation	89,200	63,366	25,834
Capital outlay	274,892	-	274,892
Total charges to appropriations	489,806	199,420	290,386
<b>Fund balance, June 30, 2018</b>	<u>\$ 1,038,091</u>	<u>\$ 1,312,621</u>	<u>\$ 274,530</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Proposition "C" Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 1,271,582	\$ 1,271,582	\$ -
Resources (inflows):			
Other taxes	304,710	306,503	1,793
Interest earned on investments	27,097	13,518	(13,579)
Amount available for appropriation	1,603,389	1,591,603	(11,786)
Charges to appropriations (outflows):			
Public works	8,597	8,597	-
Capital outlay	648,321	436,019	212,302
Total charges to appropriations	656,918	444,616	212,302
<b>Fund balance, June 30, 2018</b>	<u>\$ 946,471</u>	<u>\$ 1,146,987</u>	<u>\$ 200,516</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Measure "R" Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 734,620	\$ 734,620	\$ -
Resources (inflows):			
Other taxes	228,537	229,467	930
Miscellaneous	406,590	6,668	(399,922)
Interest earned on investments	29,505	6,077	(23,428)
Amount available for appropriation	1,399,252	976,832	(422,420)
Charges to appropriations (outflows):			
Capital outlay	406,590	6,669	399,921
Total charges to appropriations	406,590	6,669	399,921
<b>Fund balance, June 30, 2018</b>	\$ 992,662	\$ 970,163	\$ (22,499)

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Air Quality Management District Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 78,647	\$ 78,647	\$ -
Resources (inflows):			
Intergovernmental	25,000	2,052	(22,948)
Interest earned on investments	1,469	893	(576)
Amount available for appropriation	105,116	81,592	(23,524)
Charges to appropriations (outflows):			
General government	28,000	2,971	25,029
Capital outlay	110,160	66,135	44,025
Total charges to appropriations	138,160	69,106	69,054
<b>Fund balance, June 30, 2018</b>	<u>\$ (33,044)</u>	<u>\$ 12,486</u>	<u>\$ 45,530</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Supplemental Law Enforcement Services Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 170,288	\$ 170,288	\$ -
Resources (inflows):			
Other taxes	100,000	116,348	16,348
Interest earned on investments	4,126	1,515	(2,611)
Amount available for appropriation	274,414	288,151	13,737
Charges to appropriations (outflows):			
Public safety	35,999	33,893	2,106
Capital outlay	3,400	3,319	(81)
Total charges to appropriations	39,399	37,212	2,025
<b>Fund balance, June 30, 2018</b>	<u>\$ 235,015</u>	<u>\$ 250,939</u>	<u>\$ 15,762</u>



**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Asset Seizure and Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 246,333	\$ 246,333	\$ -
Resources (inflows):			
Fines and forfeitures	275,381	268,068	(7,313)
Interest earned on investments	8,293	3,193	(5,100)
Amount available for appropriation	530,007	517,594	(12,413)
Charges to appropriations (outflows):			
Public safety	10,600	7,657	2,943
Capital outlay	600	98	502
Total charges to appropriations	11,200	7,755	3,445
<b>Fund balance, June 30, 2018</b>	<u>\$ 518,807</u>	<u>\$ 509,839</u>	<u>\$ (8,968)</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fire Protection Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 91,039	\$ 91,039	\$ -
Resources (inflows):			
Charges for services	48,751	14,508	(34,243)
Interest earned on investments	2,124	1,140	(984)
Amount available for appropriation	141,914	106,687	(35,227)
Charges to appropriations (outflows):			
Public Safety	56,596	28,297	28,299
Total charges to appropriations	56,596	28,297	(28,299)
<b>Fund balance, June 30, 2018</b>	<b>\$ 85,318</b>	<b>\$ 78,390</b>	<b>\$ (6,928)</b>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Community Development Block Grant Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ -	\$ -	\$ -
Resources (inflows):			
Intergovernmental	150,000	4,971	(145,029)
Amount available for appropriation	150,000	4,971	(145,029)
Charges to appropriations (outflows):			
Public works	-	-	-
Capital outlay	-	-	-
Total charges to appropriations	-	-	-
<b>Fund balance, June 30, 2018</b>	<b>\$ 150,000</b>	<b>\$ 4,971</b>	<b>\$ (145,029)</b>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Measure "M" Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ -	\$ -	\$ -
Resources (inflows):			
Other taxes	233,312	207,948	(25,364)
Interest earned on investments	334	(480)	(814)
Amount available for appropriation	233,646	207,468	(26,178)
Charges to appropriations (outflows):			
Capital outlay	-	-	-
Total charges to appropriations	-	-	-
<b>Fund balance, June 30, 2018</b>	\$ 233,646	\$ 207,468	\$ (26,178)

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**RTI Undersea Cable Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ -	\$ -	\$ -
Resources (inflows):			
Use of money and property	330,000	329,597	(403)
Interest earned on investments	-	-	-
Amount available for appropriation	330,000	329,597	(403)
Charges to appropriations (outflows):			
Capital outlay	-	-	-
Total charges to appropriations	-	-	-
<b>Fund balance, June 30, 2018</b>	<u>\$ 330,000</u>	<u>\$ 329,597</u>	<u>\$ (403)</u>

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**RTI Undersea Cable Tidelands Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ -	\$ -	\$ -
Resources (inflows):			
Use of money and property	240,000	239,710	(290)
Interest earned on investments	-	-	-
Amount available for appropriation	240,000	239,710	(290)
Charges to appropriations (outflows):			
Capital outlay	-	-	-
Total charges to appropriations	-	-	-
<b>Fund balance, June 30, 2018</b>	\$ 240,000	\$ 239,710	\$ (290)

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Grants Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 603,233	\$ 603,233	\$ -
Resources (inflows):			
Intergovernmental	656,164	90,765	(565,399)
Miscellaneous	1,173,137	924,247	(248,890)
Amount available for appropriation	2,432,534	1,618,245	(814,289)
Charges to appropriations (outflows):			
Legislative and legal	30,000	10,761	19,239
Public safety	104,760	2,293	102,467
Community development	130,446	19,707	110,739
Public works	31,084	4,503	26,581
Capital outlay	2,136,236	349,499	1,786,737
Total charges to appropriations	2,402,526	386,763	2,015,763
<b>Fund balance, June 30, 2018</b>	\$ 30,008	\$ 1,231,482	\$ 1,201,474

**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Storm Drains Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 413,532	\$ 413,532	\$ -
Resources (inflows):			
Other taxes	-	700,000	700,000
Interest earned on investments	-	(10,278)	(10,278)
Transfers in	700,000	-	(700,000)
Amount available for appropriation	1,113,532	1,103,254	(10,278)
Charges to appropriations (outflows):			
Public works	318,475	294,722	23,753
Capital outlay	38,120	16,293	21,827
Total charges to appropriations	356,595	311,015	45,580
<b>Fund balance, June 30, 2018</b>	<u>\$ 756,937</u>	<u>\$ 792,239</u>	<u>\$ 35,302</u>



**City of Hermosa Beach**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**2015 Lease Revenue Bond Debt Service Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>Fund balance, July 1, 2017</b>	\$ 3,702	\$ 3,702	\$ -
Resources (inflows):			
Transfers in	787,390	787,390	-
Amount available for appropriation	791,092	791,092	-
Charges to appropriations (outflows):			
Legislative and legal	-	-	-
Principal	435,000	434,992	8
Interest and fiscal charges	356,087	355,738	349
Total charges to appropriations	791,087	790,730	357
<b>Fund balance, June 30, 2018</b>	<u>\$ 5</u>	<u>\$ 362</u>	<u>\$ 357</u>

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# INTERNAL SERVICE FUNDS

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***Insurance Fund*** - This fund was created to account for costs associated with the City's insurances: liability, workers' compensation, unemployment, auto, property and officials' bonds and settlement losses.

***Equipment Replacement Fund*** - This fund was created to provide ongoing funds to replace assets at the end of the assets' useful life.

**City of Hermosa Beach**  
**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2018**

	Insurance Fund	Equipment Replacement Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 8,918,865	\$ 5,997,376	\$ 14,916,241
Accounts receivable	-	51,095	51,095
Other assets	-	49,288	49,288
Total current assets	<u>8,918,865</u>	<u>6,097,759</u>	<u>15,016,624</u>
Capital assets:			
Nondepreciable	-	192,791	192,791
Depreciable, net	-	3,389,604	3,389,604
Total capital assets	<u>-</u>	<u>3,582,395</u>	<u>3,582,395</u>
<b>Total assets</b>	<u>8,918,865</u>	<u>9,680,154</u>	<u>18,599,019</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	249,259	120,732	369,991
Accrued wages and benefits payable	7,834	14,660	22,494
Compensated absences due within one year	6,921	15,917	22,838
Workers' compensation claims payable, due within one year	795,327	-	795,327
General liability claims payable, due within one year	339,112	-	339,112
Total current liabilities	<u>1,398,453</u>	<u>151,309</u>	<u>1,549,762</u>
Long-term liabilities:			
Workers' compensation claims payable, due in more than one year	4,302,925	-	4,302,925
General liability claims payable, due in more than one year	701,326	-	701,326
Total long-term liabilities	<u>5,004,251</u>	<u>-</u>	<u>5,004,251</u>
<b>Total liabilities</b>	<u>6,402,704</u>	<u>151,309</u>	<u>6,554,013</u>
<b>NET POSITION</b>			
Investment in capital assets	-	3,582,395	3,582,395
Unrestricted	<u>2,516,161</u>	<u>5,946,450</u>	<u>8,462,611</u>
<b>Total net position</b>	<u>\$ 2,516,161</u>	<u>\$ 9,528,845</u>	<u>\$ 12,045,006</u>

**City of Hermosa Beach**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2018**

	Insurance Fund	Equipment Replacement Fund	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 2,463,168	\$ 1,654,468	\$ 4,117,636
Miscellaneous	46,029	485,653	531,682
<b>Total operating revenues</b>	<u>2,509,197</u>	<u>2,140,121</u>	<u>4,649,318</u>
<b>OPERATING EXPENSES:</b>			
Salaries and wages	123,745	262,503	386,248
Contractor services	1,207,510	619,590	1,827,100
Supplies	210	300,162	300,372
Claims expense	3,126,092	-	3,126,092
Depreciation	-	368,103	368,103
<b>Total operating expenses</b>	<u>4,457,557</u>	<u>1,550,358</u>	<u>6,007,915</u>
<b>OPERATING INCOME</b>	<u>(1,948,360)</u>	<u>589,763</u>	<u>(1,358,597)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest income (expense)	(187,443)	-	(187,443)
Gain on disposal of capital assets	-	(40,034)	(40,034)
<b>Total nonoperating revenues (expenses)</b>	<u>(187,443)</u>	<u>(40,034)</u>	<u>(227,477)</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>(2,135,803)</u>	<u>549,729</u>	<u>(1,586,074)</u>
<b>TRANSFERS:</b>			
Transfers in	3,089,382	-	3,089,382
Transfers out	-	(445,898)	(445,898)
<b>Total transfers</b>	<u>3,089,382</u>	<u>(445,898)</u>	<u>2,643,484</u>
<b>Changes in net position</b>	<u>953,579</u>	<u>103,831</u>	<u>1,057,410</u>
<b>NET POSITION:</b>			
Beginning of the year	1,562,582	9,425,014	10,987,596
End of the year	<u>\$ 2,516,161</u>	<u>\$ 9,528,845</u>	<u>\$ 12,045,006</u>

**City of Hermosa Beach**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2018**

	Insurance Fund	Equipment Replacement Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received for services from other funds	\$ 2,463,168	\$ 1,654,468	\$ 4,117,636
Cash received for insurance recovery	46,029	-	46,029
Cash payments to suppliers of goods and services	(913,642)	(797,632)	(1,711,274)
Cash payments to employees for services	(126,186)	(253,551)	(379,737)
Cash payment for insurance premiums	(3,045,977)	485,653	(2,560,324)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,576,608)</b>	<b>1,088,938</b>	<b>(487,670)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interest paid	(187,443)	-	(187,443)
Transfers in	3,089,383	-	3,089,383
Transfers out	-	(445,899)	(445,899)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>2,901,940</b>	<b>(445,899)</b>	<b>2,456,041</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	-	(496,464)	(496,464)
Proceeds from sale of capital assets	-	(99,918)	(99,918)
<b>Net cash (used in) capital and related financing activities</b>	<b>-</b>	<b>(596,382)</b>	<b>(596,382)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,325,332</b>	<b>46,657</b>	<b>1,371,989</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	7,593,533	5,950,719	13,544,252
End of year	<u>\$ 8,918,865</u>	<u>\$ 5,997,376</u>	<u>\$ 14,916,241</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (1,948,360)	\$ 589,763	\$ (1,358,597)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	368,103	368,103
(Increase) Decrease in:			
Other assets	79,000	38,028	117,028
Increase (Decrease) in:			
Accounts payable	215,078	84,092	299,170
Accrued wages and benefits payable	1,801	4,180	5,981
Workers' compensation claims payable	187,443	-	187,443
General liability claims payable	(107,328)	-	(107,328)
Compensated absences	(4,242)	4,772	530
<b>Total adjustments</b>	<b>371,752</b>	<b>499,175</b>	<b>870,927</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (1,576,608)</b>	<b>\$ 1,088,938</b>	<b>\$ (487,670)</b>

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# FIDUCIARY FUND FINANCIAL STATEMENTS

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*The Agency Funds* of the City were established to account for transactions related to payments for limited obligation bonds for the Bayview Drive, the Lower Pier Avenue Assessment District, the Beach Drive Assessment District, the Myrtle Avenue Utility Undergrounding Assessment District, and the Loma Drive Utility Undergrounding Assessment District.

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**City of Hermosa Beach**  
**Combining Statement of Fiduciary Net Position**  
**All Agency Funds**  
**June 30, 2018**

	Bayview Drive Redemption	Bayview Drive Reserve	Lower Pier Avenue Assessment District Redemption	Beach Drive Assessment District Redemption
<b>ASSETS</b>				
Cash and investments	\$ 131,607	\$ 14,090	\$ 3,020	\$ 68,102
Interest receivable	136	12	35	71
Other accounts receivable	550	-	-	-
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 132,293</b>	<b>\$ 14,102</b>	<b>\$ 3,055</b>	<b>\$ 68,173</b>
<b>LIABILITIES</b>				
Assessment:				
Installment account	\$ 132,293	\$ 4,102	\$ 3,055	\$ 68,173
Reserve requirement	-	10,000	-	-
<b>Total liabilities</b>	<b>\$ 132,293</b>	<b>\$ 14,102</b>	<b>\$ 3,055</b>	<b>\$ 68,173</b>

**City of Hermosa Beach**  
**Combining Statement of Fiduciary Net Position (Continued)**  
**All Agency Funds**  
**June 30, 2018**

	Beach Drive Assessment District Reserve	Myrtle Avenue Utility Undergrounding Assessment District	Loma Drive Utility Undergrounding Assessment District	Total
<b>ASSETS</b>				
Cash and investments	\$ 4,316	\$ 111,404	\$ 155,346	\$ 487,885
Interest receivable	4	129	165	552
Other accounts receivable	-	1,507	3,898	5,955
Other assets	-	-	90	90
<b>Total assets</b>	<b>\$ 4,320</b>	<b>\$ 113,040</b>	<b>\$ 159,499</b>	<b>\$ 494,482</b>
<b>LIABILITIES</b>				
Assessment:				
Installment account	\$ 1,320	\$ 113,040	\$ 159,499	\$ 481,482
Reserve requirement	3,000	-	-	13,000
<b>Total liabilities</b>	<b>\$ 4,320</b>	<b>\$ 113,040</b>	<b>\$ 159,499</b>	<b>\$ 494,482</b>

**City of Hermosa Beach**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2018**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<b>ASSETS</b>				
<b>Bayview Drive Redemption Fund:</b>				
Cash and investments	\$ 140,639	\$ 52,938	\$ (61,970)	\$ 131,607
Interest receivable	112	71	(47)	136
Other accounts receivable	1,371	321	(1,142)	550
<b>Bayview Drive Reserve Fund:</b>				
Cash and investments	13,981	658	(549)	14,090
Interest receivable	11	8	(7)	12
<b>Lower Pier District Redemption Fund:</b>				
Cash and investments	38,368	899	(36,247)	3,020
Interest receivable	35	2	(2)	35
Other accounts receivable	527	-	(527)	-
<b>Beach Drive Assessment District Redemption Fund:</b>				
Cash and investments	74,309	28,491	(34,698)	68,102
Interest receivable	58	37	(24)	71
Other accounts receivable	1,233	-	(1,233)	-
<b>Beach Drive Assessment District Reserve Fund:</b>				
Cash and investments	4,264	163	(111)	4,316
Interest receivable	3	2	(1)	4
<b>Myrtle Avenue Assessment Fund:</b>				
Cash and investments	136,098	138,944	(163,638)	111,404
Interest receivable	102	60	(33)	129
Other accounts receivable	4,771	1,507	(4,771)	1,507
<b>Loma Drive Assessment Fund:</b>				
Cash and investments	161,689	97,468	(103,811)	155,346
Interest receivable	121	84	(40)	165
Other accounts receivable	3,675	3,898	(3,675)	3,898
Other assets	90	-	-	90
<b>Total assets</b>	<u>\$ 581,457</u>	<u>\$ 325,551</u>	<u>\$ (412,526)</u>	<u>\$ 494,482</u>
<b>LIABILITIES</b>				
<b>Bayview Drive Redemption Fund:</b>				
Assessment installment account	\$ 142,122	\$ 53,330	\$ (63,159)	\$ 132,293
<b>Bayview Drive Reserve Fund:</b>				
Assessment installment account	3,992	666	(556)	4,102
Assessment reserve requirement	10,000	-	-	10,000
<b>Lower Pier District Redemption Fund:</b>				
Assessment installment account	38,930	901	(36,776)	3,055
<b>Beach Drive Assessment District Redemption Fund:</b>				
Assessment installment account	75,600	28,528	(35,955)	68,173
<b>Beach Drive Assessment District Reserve Fund:</b>				
Assessment installment account	1,267	165	(112)	1,320
Assessment reserve requirement	3,000	-	-	3,000
<b>Myrtle Avenue Assessment Fund:</b>				
Assessment installment account	140,971	140,511	(168,442)	113,040
<b>Loma Drive Assessment Fund:</b>				
Assessment installment account	165,575	101,450	(107,526)	159,499
<b>Total liabilities</b>	<u>\$ 581,457</u>	<u>\$ 325,551</u>	<u>\$ (412,526)</u>	<u>\$ 494,482</u>

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## STATISTICAL SECTION

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# STATISTICAL SECTION

This part of the City of Hermosa Beach's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Pages</b>
Financial Trends	158-163
These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.	
Revenue Capacity	164-170
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	171-179
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. <sup>1</sup>	
Demographic and Economic Information	180-182
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	183-187
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

<sup>1</sup> Since the City of Hermosa Beach has no debt, the following schedules are not included in the Statistical Section:

Ratios of Outstanding Debt by Type  
Ratios of General Bonded Debt Outstanding  
Pledged-Revenue Coverage

**City of Hermosa Beach**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities:					
Net investment in capital assets	\$ 56,419,592	\$ 56,599,591	\$ 56,693,499	\$ 65,518,736	\$ 64,135,741
Restricted	5,403,000	4,518,727	1,968,275	3,860,192	4,050,722
Unrestricted	10,348,315	10,768,025	14,122,551	10,589,507	17,294,405
Total governmental activities net assets	<u>\$ 72,170,907</u>	<u>\$ 71,886,343</u>	<u>\$ 72,784,325</u>	<u>\$ 79,968,435</u>	<u>\$ 85,480,868</u>
Business-type activities:					
Net investment in capital assets	\$ 10,057,219	\$ 9,926,861	\$ 9,998,669	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	(1,236,859)	(1,074,651)	(838,749)	-	-
Total business-type activities net assets	<u>\$ 8,820,360</u>	<u>\$ 8,852,210</u>	<u>\$ 9,159,920</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government:					
Net investment in capital assets	\$ 66,476,811	\$ 66,526,450	\$ 66,692,168	\$ 65,518,736	\$ 64,135,741
Restricted	5,403,000	4,518,727	1,968,275	3,860,192	4,050,722
Unrestricted	9,111,456	9,693,374	13,283,802	10,589,507	17,294,405
Total primary government net assets	<u>\$ 80,991,267</u>	<u>\$ 80,738,551</u>	<u>\$ 81,944,245</u>	<u>\$ 79,968,435</u>	<u>\$ 85,480,868</u>

<sup>1</sup> The Downtown Enhancement Fund was combined with the General Fund at the end of June 30, 2012.



**City of Hermosa Beach**  
**Net Assets by Component (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	\$ 64,828,005	\$ 66,733,301	\$ 66,933,796	\$ 66,417,072	\$ 66,333,070
Restricted	4,476,554	4,188,404	3,774,552	5,260,908	7,278,918
Unrestricted	22,988,231	(24,869,037)	(18,769,530)	(13,287,058)	(12,636,827)
Total governmental activities net assets	<u>\$ 92,292,790</u>	<u>\$ 46,052,668</u>	<u>\$ 51,938,818</u>	<u>\$ 58,390,922</u>	<u>\$ 60,975,161</u>
Business-type activities:					
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government:					
Net investment in capital assets	\$ 64,828,005	\$ 66,733,301	\$ 66,933,796	\$ 66,417,072	\$ 66,333,070
Restricted	4,476,554	4,188,404	3,774,552	5,260,908	7,278,918
Unrestricted	22,988,231	(24,869,037)	(18,769,530)	(13,287,058)	(12,636,827)
Total primary government net assets	<u>\$ 92,292,790</u>	<u>\$ 46,052,668</u>	<u>\$ 51,938,818</u>	<u>\$ 58,390,922</u>	<u>\$ 60,975,161</u>

<sup>1</sup> The Downtown Enhancement Fund was combined with the General Fund at the end of June 30, 2012.

**City of Hermosa Beach**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Expenses:					
Governmental activities:					
Legislative and legal	\$ 1,059,528	\$ 980,157	\$ 972,979	\$ 4,677,233	\$ 881,556
General government	3,579,453	2,409,611	3,102,761	2,376,929	2,458,548
Public safety	17,471,578	17,841,984	17,698,263	18,179,929	16,431,962
Community development	1,416,714	1,243,490	1,223,581	1,235,058	1,260,996
Culture and recreation	1,420,956	1,252,037	1,133,467	1,037,790	1,087,000
Public works	6,860,854	7,823,275	6,725,147	7,239,076	7,529,499
Total governmental activities expenses	<u>31,809,083</u>	<u>31,550,554</u>	<u>30,856,198</u>	<u>34,746,015</u>	<u>29,649,561</u>
Business-type activities:					
Downtown Enhancement	963,304	997,138	878,021	906,244	-
Parking	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>		
Proposition "A" Transit	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>		
Proposition "C" Transit	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>		
Total business-type activities expenses	<u>963,304</u>	<u>997,138</u>	<u>878,021</u>	<u>906,244</u>	<u>-</u>
Total primary government expenses	<u>32,772,387</u>	<u>32,547,692</u>	<u>31,734,219</u>	<u>35,652,259</u>	<u>29,649,561</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	569,772	543,259	546,793	555,607	2,275,297
Public safety	4,633,478	4,674,410	4,646,663	5,112,011	5,282,223
Community development	782,904	650,962	797,248	860,158	1,125,637
Culture and recreation	949,439	856,135	975,469	957,989	1,271,845
Public works	907,579	840,740	1,025,008	938,822	989,656
Operating grants and contributions	539,518	543,531	700,691	828,722	702,873
Capital grants and contributions	850,357	1,817,638	902,506	759,889	255,996
Total governmental activities program revenues:	<u>9,233,047</u>	<u>9,926,675</u>	<u>9,594,378</u>	<u>10,013,198</u>	<u>11,903,527</u>
Business-type activities:					
Charges for services:					
Downtown Enhancement	1,021,114	1,026,185	1,409,952	1,649,197	-
Parking	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>		
Proposition A Transit	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>		
Proposition C Transit	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>		
Operating grants and contributions	-	-	-		
Capital grants and contributions	-	-	-		
Total business-type activities program revenues:	<u>1,021,114</u>	<u>1,026,185</u>	<u>1,409,952</u>	<u>1,649,197</u>	<u>-</u>
Total primary government program revenues:	<u>10,254,161</u>	<u>10,952,860</u>	<u>11,004,330</u>	<u>11,662,395</u>	<u>11,903,527</u>

**City of Hermosa Beach**  
**Changes in Net Assets (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Net revenues (expenses):					
Governmental activities	(22,576,036)	(21,623,879)	(21,261,820)	(24,732,817)	(17,746,034)
Business-type activities	57,810	29,047	531,931	742,953	-
Total net revenues (expenses)	(22,518,226)	(21,594,832)	(20,729,889)	(23,989,864)	(17,746,034)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	11,188,377	11,407,964	11,518,645	11,598,615	12,151,229
Sales tax	2,390,658	2,112,971	2,209,559	2,474,651	2,598,752
Other taxes	6,069,339	5,962,978	6,060,992	6,461,065	6,638,189
Grants and contributions not restricted to specific programs	1,454,006	1,242,064	1,666,460	1,121,380	1,156,589
Investment income	429,087	135,423	91,910	109,571	130,709
Other general revenues	303,035	473,559	352,723	237,670	582,999
Transfers	3,461	4,356	259,513	9,913,975	-
Settlement (Note 14)	-	-	-	-	-
Total governmental activities	21,837,963	21,339,315	22,159,802	31,916,927	23,258,467
Business-type activities:					
Investment income	17,749	5,609	4,679	6,418	-
Other general revenues	-	-	-	-	-
Miscellaneous	4,597	1,550	30,613	4,684	-
Transfers	(3,461)	(4,356)	(259,513)	(9,913,975)	-
Total business-type activities	18,885	2,803	(224,221)	(9,902,873)	-
Total primary government	21,856,848	21,342,118	21,935,581	22,014,054	23,258,467
Changes in net assets					
Governmental activities:	(738,073)	(284,564)	897,982	7,184,110	5,512,433
Business-type activities:	76,695	31,850	307,710	(9,159,920)	-
Total primary government	\$ (661,378)	\$ (252,714)	\$ 1,205,692	\$ (1,975,810)	\$ 5,512,433

<sup>1</sup> Transit operations were transferred to special revenue funds in fiscal year 2005.

<sup>2</sup> The Parking Fund was combined with the General Fund in fiscal year 2006.

**City of Hermosa Beach**  
**Changes in Net Assets (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:					
Legislative and legal	\$ 1,076,211	\$ 1,293,214	\$ 2,083,297	\$ 2,043,740	\$ 1,869,599
General government	2,827,895	3,078,044	2,262,107	3,598,512	4,129,269
Public safety	16,856,166	16,737,044	20,034,932	18,911,734	25,496,398
Community development	1,519,632	1,710,563	1,347,087	1,787,364	2,264,015
Culture and recreation	1,068,388	1,257,311	1,108,749	1,310,740	1,769,893
Public works	7,420,724	6,985,762	9,131,490	7,957,044	9,176,519
Total governmental activities expenses	<u>30,769,016</u>	<u>31,061,938</u>	<u>35,967,662</u>	<u>35,609,134</u>	<u>44,705,693</u>
Business-type activities:					
Downtown Enhancement	-	-	-	-	-
Parking	-	-	-	-	-
Proposition "A" Transit	-	-	-	-	-
Proposition "C" Transit	-	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>30,769,016</u>	<u>31,061,938</u>	<u>35,967,662</u>	<u>35,609,134</u>	<u>44,705,693</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	2,323,797	2,582,857	2,414,955	2,433,987	2,538,028
Public safety	5,455,694	5,398,329	5,254,859	4,993,104	4,958,292
Community development	1,641,773	1,679,400	1,996,538	1,664,132	1,696,505
Culture and recreation	1,425,451	1,522,417	1,178,323	1,341,455	1,223,789
Public works	892,784	1,085,165	2,217,610	2,374,774	2,292,254
Operating grants and contributions	1,106,254	983,628	755,650	601,816	712,612
Capital grants and contributions	260,844	328,649	203,033	327,534	27,821
Total governmental activities program revenues:	<u>13,106,597</u>	<u>13,580,445</u>	<u>14,020,968</u>	<u>13,736,802</u>	<u>13,449,301</u>
Business-type activities:					
Charges for services:					
Downtown Enhancement	-	-	-	-	-
Parking	-	-	-	-	-
Proposition A Transit	-	-	-	-	-
Proposition C Transit	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues:	<u>13,106,597</u>	<u>13,580,445</u>	<u>14,020,968</u>	<u>13,736,802</u>	<u>13,449,301</u>

<sup>1</sup> Transit operations were transferred to special revenue funds in fiscal year 2005.

<sup>2</sup> The Parking Fund was combined with the General Fund in fiscal year 2006.

**City of Hermosa Beach**  
**Changes in Net Assets (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
Net revenues (expenses):					
Governmental activities	(17,662,419)	(17,481,493)	(21,946,694)	(21,872,332)	(31,256,392)
Business-type activities	-	-	-	-	-
Total net revenues (expenses)	(17,662,419)	(17,481,493)	(21,946,694)	(21,872,332)	(31,256,392)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	12,910,426	13,739,648	15,317,458	15,714,094	17,097,712
Sales tax	2,653,631	2,768,225	2,895,794	2,816,289	3,151,207
Other taxes	6,924,202	7,179,945	7,527,467	7,930,375	7,878,400
Grants and contributions not restricted to specific programs	1,222,808	1,246,419	1,369,042	1,304,880	2,093,173
Investment income	141,794	510,668	455,234	-	-
Other general revenues	621,480	489,740	267,849	564,798	1,890,404
Transfers	-	-	-	-	-
Settlement (Note 14)	-	(14,000,000)	-	-	-
Total governmental activities	24,474,341	11,934,645	27,832,844	28,330,436	32,110,896
Business-type activities:					
Investment income	-	-	-	-	-
Other general revenues	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	-	-	-	-	-
Total business-type activities	-	-	-	-	-
Total primary government	24,474,341	11,934,645	27,832,844	28,330,436	32,110,896
Changes in net assets					
Governmental activities:	6,811,922	(5,546,848)	5,886,150	6,458,104	854,504
Business-type activities:	-	-	-	-	-
Total primary government	\$ 6,811,922	\$ (5,546,848)	\$ 5,886,150	\$ 6,458,104	\$ 854,504

<sup>1</sup> Transit operations were transferred to special revenue funds in fiscal year 2005.

<sup>2</sup> The Parking Fund was combined with the General Fund in fiscal year 2006.

**City of Hermosa Beach**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Years**  
**(accrual basis of accounting)**

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Fiscal year ended June 30	Property tax	Sales tax	Real property transfer tax	Franchise fees	1/2 cent sales tax extension for public safety	Transient occupancy tax	Utility user's tax	Business license	Total
2009	11,188,377	2,390,658	140,113	674,947	167,427	1,645,571	2,575,209	866,072	19,648,374
2010	11,407,964	2,112,971	162,562	650,115	168,103	1,559,048	2,559,369	863,781	19,483,913
2011	11,518,645	2,209,559	178,912	698,622	165,627	1,689,356	2,520,720	807,755	19,789,196
2012	11,639,960	2,474,650	177,555	730,953	180,493	1,884,020	2,495,895	950,803	20,534,329
2013	12,151,229	2,598,752	233,412	752,586	192,175	1,996,174	2,503,265	950,526	21,378,119
2014	12,910,426	2,653,631	290,379	788,694	182,608	2,204,420	2,443,285	1,006,478	22,479,921
2015	13,739,648	2,768,225	312,416	785,935	229,824	2,349,750	2,442,575	1,059,445	23,687,818
2016	15,317,458	2,895,795	320,731	776,316	212,511	2,762,444	2,388,825	1,058,663	25,732,743
2017	15,714,094	2,886,298	345,603	720,338	218,092	3,237,026	2,302,024	1,098,421	26,521,896
2018	17,097,712	3,151,207	326,224	722,316	233,291	3,295,207	2,229,906	1,061,130	28,116,993

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**City of Hermosa Beach**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
General Fund:					
Reserved	\$ 312,880	\$ 447,426			
Unreserved	348,373	253,005			
Non-spendable			\$ 35,613	\$ 14,271	\$ 21,589
Restricted			172,021	255,200	391,504
Committed			10,592	10,592	10,592
Assigned			5,635,231	5,776,500	6,555,423
Unassigned			-	-	-
Total general fund	<u>\$ 661,253</u>	<u>\$ 700,431</u>	<u>\$ 5,853,457</u>	<u>\$ 6,056,563</u>	<u>\$ 6,979,108</u>
All other governmental funds:					
Reserved	\$ 1,273,762	\$ 3,060,042			
Unreserved, reported in:					
Special revenue funds	9,764,500	6,965,596			
Non-spendable				\$ 1,500	
Restricted				3,604,992	\$ 3,659,218
Committed				117,415	137,166
Assigned			\$ 4,216,497	961,251	847,266
Unassigned					
Total all other governmental funds	<u>\$ 11,038,262</u>	<u>\$ 10,025,638</u>	<u>\$ 4,216,497</u>	<u>\$ 4,685,158</u>	<u>\$ 4,643,650</u>
Total governmental funds	<u><u>\$ 11,699,515</u></u>	<u><u>\$ 10,726,069</u></u>	<u><u>\$ 10,069,954</u></u>	<u><u>\$ 10,741,721</u></u>	<u><u>\$ 11,622,758</u></u>

Note: GASB 54 was implemented in year ended June 30, 2011; prior years have no comparable data.



**City of Hermosa Beach**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund:					
Reserved					
Unreserved					
Non-spendable	\$ 10,603	\$ 19,444	\$ 21,261	\$ 66,700	\$ 478,479
Restricted	410,289	460,304	329,890	158,149	170,336
Committed	28,900	28,900	28,900	1,115,600	1,144,500
Assigned	7,655,210	10,005,040	8,529,250	8,322,103	7,781,460
Unassigned	-	-			
Total general fund	<u>\$ 8,105,002</u>	<u>\$ 10,513,688</u>	<u>\$ 8,909,301</u>	<u>\$ 9,662,552</u>	<u>\$ 9,574,775</u>
All other governmental funds:					
Reserved					
Unreserved, reported in:					
Special revenue funds					
Non-spendable	\$ 1,600	-	\$ 5,835	\$ 7,083	\$ 9,280
Restricted	4,083,450	\$ 3,728,100	3,430,617	5,102,759	7,677,889
Committed	432,606	431,716	1,305,276	879,008	1,144,884
Assigned	2,831,179	7,646,948	11,348,565	12,706,958	13,068,691
Unassigned		-	(24,138)	-	-
Total all other governmental funds	<u>\$ 7,348,835</u>	<u>\$ 11,806,764</u>	<u>\$ 16,066,155</u>	<u>\$ 18,695,808</u>	<u>\$ 21,900,744</u>
Total governmental funds	<u><u>\$ 15,453,837</u></u>	<u><u>\$ 22,320,452</u></u>	<u><u>\$ 24,975,456</u></u>	<u><u>\$ 28,358,360</u></u>	<u><u>\$ 31,475,519</u></u>

Note: GASB 54 was implemented in year ended June 30, 2011; prior years have no comparable data.

**City of Hermosa Beach**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Revenues:</b>					
Property taxes	\$ 11,639,348	\$ 11,863,846	\$ 11,978,616	\$ 12,056,548	\$ 12,618,579
Other taxes	9,079,246	8,760,988	9,023,359	9,722,036	10,076,591
Licenses and permits	678,477	556,737	627,056	668,405	783,121
Fines and forfeitures	2,111,467	2,075,759	2,219,052	2,475,311	2,416,031
Use of money and property	716,215	622,847	653,752	815,367	1,102,797
Intergovernmental	1,788,584	2,578,807	1,678,980	1,555,097	896,216
Charges for services	4,102,959	4,080,450	4,005,420	4,301,971	6,312,731
Miscellaneous	436,138	301,179	538,098	198,858	469,725
Interest earned on investments	429,092	135,423	91,913	109,186	131,749
Total revenues	<u>30,981,526</u>	<u>30,976,036</u>	<u>30,816,246</u>	<u>31,902,779</u>	<u>34,807,540</u>
<b>Expenditures</b>					
Current:					
Legislative and legal	1,057,092	976,862	960,365	1,170,820	893,460
General government	2,513,647	2,350,692	3,001,906	2,293,402	2,550,162
Public safety	16,974,820	17,251,686	16,516,892	16,604,695	16,926,014
Community development	1,400,933	1,229,909	1,189,993	1,177,696	1,279,999
Culture and recreation	1,372,611	1,201,057	1,044,131	989,265	1,110,456
Public works	4,288,179	4,158,945	3,907,921	3,852,318	4,946,423
Capital outlay	3,294,817	4,176,566	3,044,697	2,414,507	1,813,990
Debt service:					
Principal	n/a	n/a	n/a	n/a	n/a
Interest	n/a	n/a	n/a	n/a	n/a
Total expenditures	<u>30,902,099</u>	<u>31,345,717</u>	<u>29,665,905</u>	<u>28,502,703</u>	<u>29,520,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79,427</u>	<u>(369,681)</u>	<u>1,150,341</u>	<u>3,400,076</u>	<u>5,287,036</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of assets				2,360	-
Transfers in	1,919,303	2,316,998	2,239,196	1,911,100	1,381,842
Transfers out	<u>(3,667,923)</u>	<u>(2,993,912)</u>	<u>(4,045,652)</u>	<u>(4,641,769)</u>	<u>(5,787,841)</u>
Total other financing sources (uses)	<u>(1,748,620)</u>	<u>(676,914)</u>	<u>(1,806,456)</u>	<u>(2,728,309)</u>	<u>(4,405,999)</u>
Net change in fund balances	<u>\$ (1,669,193)</u>	<u>\$ (1,046,595)</u>	<u>\$ (656,115)</u>	<u>\$ 671,767</u>	<u>\$ 881,037</u>
<b>Debt service as a percentage of noncapital expenditures</b>	0.0%	0.0%	0.0%	0.0%	0.0%

**City of Hermosa Beach**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Revenues:</b>					
Property taxes	\$ 13,368,615	\$ 14,198,054	\$ 15,113,479	\$ 16,209,008	\$ 17,530,492
Other taxes	10,492,906	10,992,377	11,302,910	11,821,528	12,248,900
Licenses and permits	971,336	916,073	1,111,366	967,956	1,055,631
Fines and forfeitures	2,781,240	2,652,193	2,412,554	2,122,335	2,809,368
Use of money and property	1,077,154	1,087,758	965,738	1,047,084	1,340,018
Intergovernmental	1,350,674	1,290,849	949,255	1,031,191	358,522
Charges for services	6,722,773	7,318,409	8,130,681	8,412,322	9,259,211
Miscellaneous	630,271	688,047	679,937	540,021	249,148
Interest earned on investments	137,909	244,026	445,260	6,175	152,360
Total revenues	<u>37,532,878</u>	<u>39,387,786</u>	<u>41,111,180</u>	<u>42,157,620</u>	<u>45,003,650</u>
<b>Expenditures</b>					
Current:					
Legislative and legal	1,093,518	1,170,229	1,958,940	1,448,509	1,313,261
General government	2,806,176	3,040,426	3,458,191	3,722,659	3,751,043
Public safety	17,768,720	18,142,958	21,272,474	21,392,637	21,468,409
Community development	1,548,185	1,722,513	1,806,130	1,869,018	2,034,235
Culture and recreation	1,132,849	1,246,532	1,291,808	1,395,915	1,446,996
Public works	5,216,430	5,317,541	6,622,698	6,106,648	6,343,525
Capital outlay	2,774,016	3,620,185	2,953,123	1,644,253	2,164,817
Debt service:					
Principal	n/a	n/a	-	335,000	434,992
Interest	n/a	n/a	233,425	375,332	355,738
Total expenditures	<u>32,339,894</u>	<u>34,260,384</u>	<u>39,596,789</u>	<u>38,289,971</u>	<u>39,313,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,192,984</u>	<u>5,127,402</u>	<u>1,514,391</u>	<u>3,867,649</u>	<u>5,690,634</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of assets	-	-	11,799,905	-	-
Transfers in	3,905,349	6,911,913	5,733,408	1,942,014	1,271,842
Transfers out	<u>(5,267,254)</u>	<u>(5,172,700)</u>	<u>(16,392,700)</u>	<u>(2,356,750)</u>	<u>(3,915,326)</u>
Total other financing sources (uses)	<u>(1,361,905)</u>	<u>1,739,213</u>	<u>1,140,613</u>	<u>(414,736)</u>	<u>(2,643,484)</u>
Net change in fund balances	<u>\$ 3,831,079</u>	<u>\$ 6,866,615</u>	<u>\$ 2,655,004</u>	<u>\$ 3,452,913</u>	<u>\$ 3,047,150</u>
<b>Debt service as a percentage of noncapital expenditures</b>	0.0%	0.0%	0.6%	2.0%	2.2%

**City of Hermosa Beach**  
**General Government Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

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Fiscal year ended June 30	Property tax	Sales tax	Real property transfer tax	Franchise fees	Transient occupancy tax	Utility user's tax	Other	Total
2009	11,639,348	2,390,658	140,113	674,947	1,645,571	2,575,209	1,652,748	20,718,594
2010	11,863,846	2,112,971	162,562	650,115	1,559,048	2,559,369	1,716,923	20,624,834
2011	11,978,616	2,209,559	178,912	698,622	1,689,356	2,520,720	1,726,190	21,001,975
2012	12,056,548	2,474,650	177,555	730,954	1,884,020	2,495,895	1,958,962	21,778,584
2013	12,618,579	2,598,752	233,412	752,586	1,996,174	2,503,265	1,992,402	22,695,170
2014	13,368,615	2,653,631	290,379	788,694	2,204,420	2,443,285	2,112,497	23,861,521
2015	14,198,054	2,768,225	312,416	785,935	2,349,750	2,442,575	2,333,476	25,190,431
2016	15,113,479	2,895,794	320,731	776,316	2,762,444	2,388,824	2,290,061	26,547,649
2017	16,209,008	2,886,298	345,603	720,338	3,237,026	2,302,024	2,330,238	28,030,538
2018	17,097,712	3,151,207	326,224	722,316	3,295,207	2,229,906	2,956,820	29,779,392

**City of Hermosa Beach**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(In Thousands)**

Fiscal year ended June 30	Residential property	Commercial property	Industrial property	Other	Less exemptions	Total taxable assessed value	Total direct tax rate	Estimated actual taxable value	Percentage increase
2009	4,261,900	355,516	12,724	96,991	(45,381)	4,681,750	1.00	4,705,847	7.42%
2010	4,350,467	378,930	12,442	128,227	(46,338)	4,823,728	1.00	4,870,066	3.03%
2011	4,422,662	397,297	12,412	76,659	(46,807)	4,862,224	1.00	4,909,030	0.80%
2012	4,479,178	407,825	11,156	92,987	(46,205)	4,944,941	1.00	4,991,146	1.70%
2013	4,608,192	422,855	11,853	96,628	(46,338)	5,093,190	1.00	5,139,528	3.00%
2014	4,883,870	437,214	10,379	95,294	(47,030)	5,379,750	1.00	5,332,719	5.63%
2015	5,181,815	455,035	12,635	104,834	(43,278)	5,711,045	1.00	5,667,767	6.16%
2016	5,522,546	484,979	13,186	111,635	(43,260)	6,089,089	1.00	6,045,828	6.62%
2017	5,994,296	508,160	13,921	120,700	(43,295)	6,593,784	1.00	6,550,489	8.29%
2018	6,432,195	532,168	14,242	145,238	(41,125)	7,082,716	1.00	7,041,591	7.42%

**NOTE:**

In 1978, the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Los Angeles County Auditor-Controller

Note: Assessed valuations available from the County of Los Angeles are based on 100% of full value per Section 135 of the California Revenue and Taxation Code.

**City of Hermosa Beach**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$100 of assessed value)**

Fiscal Year	City direct rate	Overlapping rates					Total
	Basic rate *	Hermosa Beach School District	El Camino Community College District	Los Angeles County	Flood Control District	Metropolitan Water District	
2008	1.000000	0.017139	0.016467	-	-	0.004500	1.038106
2009	1.000000	0.016398	0.017026	-	-	0.004300	1.037724
2010	1.000000	0.017250	0.014868	-	-	0.004300	1.036418
2011	1.000000	0.018067	0.016140	-	-	0.003700	1.037907
2012	1.000000	0.016904	0.016884	-	-	0.003700	1.037488
2013	1.000000	0.018550	0.018490	-	-	0.003500	1.040540
2014	1.000000	0.017970	0.017498	-	-	0.003500	1.038968
2015	1.000000	0.014729	0.017422	-	-	0.003500	1.035651
2016	1.000000	0.015746	0.017447	-	-	0.003500	1.036693
2017	1.000000	0.014928	0.022942	-	-	0.003500	1.041370
2018	1.000000	0.040245	0.021199	-	-	0.003500	1.064944

\* The Basic rate for all years is comprised of the following:

0.2774 - Los Angeles County  
0.2030 - Tax District # 1  
0.1602 - Educational Augmentation Fund Impound  
0.0849 - Educational Revenue Augmentation Fund  
0.0541 - Hermosa Beach City School District  
0.0526 - Redondo Beach Unified School District  
0.0281 - Development Center Handicapped Minor - Redondo Beach  
0.0275 - El Camino Community College District  
0.0264 - Manhattan Beach Unified School District  
0.0210 - Los Angeles County Library  
0.01410 - Development Center Handicapped Minor - Manhattan Beach  
0.01203 - South Bay Cities Sanitation District Operating  
0.00861 - Los Angeles County Flood Control Maintenance  
0.00859 - County School Service Fund - Hermosa Beach  
0.00827 - Beach Cities Hospital District  
0.00637 - Los Angeles County FFW  
0.00258 - Childrens Instil. Tuition Fund  
0.00152 - Los Angeles Flood Drain Improvement District Maintenance  
0.00130 - County School Services  
0.00094 - Development Center Handicapped Minor - Hermosa Beach C  
0.00019 - Los Angeles County West Vector Control District  
0.00016 - Water Replenishment District of Southern California  
0.00010 - Los Angeles County Accumulated Capital Outlay  
1.000000

Note: In 1978 California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. The 1.00% is shared by all taxing agencies wherein the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Source: Los Angeles County Auditor-Controller

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**City of Hermosa Beach**  
**Principal Property Taxpayers**  
**Current Year and Ten Years ago**

Taxpayer	2018		2009	
	Taxable assessed value	Percent of total city taxable assessed value	Taxable assessed value	Percent of total city taxable assessed value
Crico of Fountain Place Limited Partnership (1)	\$ 80,766,410	1.14%	\$	
EQR Gallery Apartments Limited Partnership (1)	72,326,299	1.02%		
1821 Peppertree Apartments LLC (1)	36,780,369	0.52%		
South Bay III LLC (8)	27,511,741	0.39%		
1601 PCH LP (1)	25,389,852	0.36%		
Stand and Pier Hermosa Parent LLC (7)	24,516,074	0.35%		
Hermosa Hotel Investments LLC (1)	17,779,964	0.25%		
IWF Hotel Hermosa LP (1)	17,613,497	0.25%		
Reg8 Plaza Hermosa LLC (7)	15,871,921	0.22%		
Sepulveda Design Center LLC (5)	15,685,843	0.22%		
Crico of Fountain Place Limited Partnership (1)	-	-	71,601,400	1.53%
EQR Gallery Apartments Limited Partnership (1)	-	-	65,901,100	1.41%
Diana Albergate Trust (4)	-	-	24,100,000	0.51%
Hermosa Hotel Investments (1)	-	-	16,113,834	0.34%
Regency Centers LP (7)	-	-	14,023,975	0.30%
Barbara K Robinson (4)	-	-	13,935,562	0.30%
Beta Group (2)	-	-	12,109,976	0.26%
Time Warner Cable (1)	-	-	11,989,346	0.26%
Robert J & Renae Desantis Trust (1)	-	-	11,701,312	0.25%
Realty Associates Fund VIII LP (1)	-	-	10,150,000	0.22%
	<u>\$ 334,241,970</u>	<u>4.72%</u>	<u>251,626,505</u>	<u>5.38%</u>

Source: HdL Coren & Cone, Los Angeles County Assessor Combined Tax Rolls  
Numbers in parentheses represent the number of parcels owned by the tax payer.



**City of Hermosa Beach**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal year ended June 30	Taxes levied for the fiscal year	Collected within the fiscal year of levy		Collections in subsequent years	Total collections to date	
		Amount	Percent of levy		Amount	Percent of levy
2009	9,859,343	8,065,980	81.81%		8,065,980	81.81%
2010	10,210,015	9,165,388	89.77%		9,165,388	89.77%
2011	10,298,644	9,789,691	95.06%		9,789,691	95.06%
2012	10,477,164	9,971,097	95.17%		9,971,097	95.17%
2013	10,761,548	10,422,088	96.85%		10,422,088	96.85%
2014	11,124,112	10,798,615	97.07%		10,798,615	97.07%
2015	12,081,959	11,805,592	97.71%		11,805,592	97.71%
2016	12,879,664	12,577,259	97.65%		12,577,259	97.65%
2017	13,875,400	13,547,393	97.64%		13,547,393	97.64%
2018	14,957,019	14,575,846	97.45%		14,575,846	97.45%

Source: Los Angeles County Auditor-Controller

**City of Hermosa Beach**  
**Construction Value and Property Value**  
**Last Ten Fiscal Years**

Fiscal year ended June 30	Residential		Commercial		Total assessed value
	Number of permits	Valuation	Number of permits	Valuation	
2009	416	16,284,748	72	5,004,689	4,705,847,448
2010	377	9,596,415	64	2,454,027	4,823,727,991
2011	486	16,079,850	81	2,599,656	4,862,223,524
2012	410	15,944,064	82	3,597,461	4,944,940,538
2013	462	24,241,397	56	2,710,750	5,093,189,582
2014	468	36,787,127	69	3,946,450	5,379,750,286
2015	457	39,058,181	52	1,947,535	5,711,045,616
2016	554	44,224,105	68	9,283,387	6,089,089,031
2017	448	37,467,738	40	4,791,924	6,593,783,921
2018	475	30,748,372	44	6,234,344	7,082,716,558

Source: City of Hermosa Beach Community Development Department  
Los Angeles County Auditor-Controller

**City of Hermosa Beach**  
**Direct and Overlapping Debt**  
**June 30, 2018**

City assessed valuation		\$ 7,082,716,558	
Redevelopment agency incremental valuation		-	
Total assessed valuation		<u>\$ 7,082,716,558</u>	
	Percentage applicable	Outstanding debt 6/30/18	Estimated share of overlapping debt
Overlapping debt repaid with property taxes:			
West Basin Water District debt service	0.618%	29,354,442	181,413
Hermosa Beach School District debt service 2005 refunding	100.000%	5,418,506	5,418,506
Hermosa Beach School District debt service 2016 S-A	100.000%	25,000,000	25,000,000
El Camino Community College District 2002 series 2012C	6.768%	179,006,523	12,114,658
El Camino Community College District 2012 refunding	6.768%	36,320,000	2,458,035
El Camino Community College District 2012 series 2016 A	6.768%	95,500,000	6,463,171
El Camino Community College District 2016 refunding	6.768%	<u>75,585,000</u>	<u>5,115,380</u>
Total overlapping debt repaid with property taxes		<u>\$ 446,184,471</u>	<u>56,751,163</u>
Total direct and overlapping debt			<u>\$ 56,751,163</u>
Direct Debt	0.150%		
Overlapping Debt	0.800%		
Total Debt	0.950%		

Source: HdL Coren & Cone  
Los Angeles County Assessor's Office

The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

**City of Hermosa Beach**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2009	2010	2011	2012	2013
Assessed valuation	\$ 4,705,847,448	\$ 4,823,727,991	\$ 4,862,223,524	\$ 4,944,940,538	\$ 5,093,189,582
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,176,461,862	\$ 1,205,931,998	\$ 1,215,555,881	\$ 1,236,235,135	\$ 1,273,297,396
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$ 176,469,279	\$ 180,889,800	\$ 182,333,382	\$ 185,435,270	\$ 190,994,609
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 176,469,279	\$ 180,889,800	\$ 182,333,382	\$ 185,435,270	\$ 190,994,609
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

California Government Code section 43605 provides for a legal debt limit of 15% valuation. This provision was enacted when assessed valuation was based on 25% of market value. Effective fiscal year 1981-82, each parcel was assessed based on 100% of market value as of the most recent change in ownership. The computations shown above convert the assessed valuation data for each fiscal year from the full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted.

Source: City of Hermosa Beach Finance Department  
County of Los Angeles, Auditor-Controller

**City of Hermosa Beach**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2014	2015	2016	2017	2018
Assessed valuation	\$ 5,379,750,286	\$ 5,711,045,616	\$ 6,089,089,031	\$ 6,593,783,921	\$ 7,082,716,558
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,344,937,572	\$ 1,427,761,404	\$ 1,522,272,258	\$ 1,648,445,980	\$ 1,770,679,140
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	\$ 201,740,636	\$ 214,164,211	\$ 228,340,839	\$ 247,266,897	\$ 265,601,871
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ 11,265,000	\$ 10,830,000
Legal debt margin	\$ 201,740,636	\$ 214,164,211	\$ 228,340,839	\$ 236,001,897	\$ 254,771,871
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	4.7%	4.3%

California Government Code section 43605 provides for a legal debt limit of 15% of gross assessed valuation. This provision was enacted when assessed valuation was based on 25% of market value. Effective fiscal year 1981-82, each parcel was assessed based on 100% of market value as of the most recent change in ownership. The computations shown above convert the assessed valuation data for each fiscal year from the full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted.

Source: City of Hermosa Beach Finance Department  
County of Los Angeles, Auditor-Controller

**City of Hermosa Beach**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Calendar Year	Population (1)	Personal income (in thousands) (2)	Per capita personal income (2)	City per capita personal income (3)	Unemployment rate (4)	School enrollment (5)
2009	19,491	402,459,119	40,867	-	4.7%	1,521
2010	19,599	-	-	-	5.5%	1,278
2011	19,510	420,913,463	42,564	-	5.5%	1,420
2012	19,574	420,913,463	42,564	-	4.9%	1,608
2013	19,653	420,913,463	42,564	-	4.5%	1,710
2014	19,750	466,098,988	46,530	-	3.6%	1,764
2015	19,772	499,767,889	49,400	-	3.1%	1,827
2016	19,801	544,324,900	53,521	-	2.2%	1,765
2017	19,616	563,907,868	55,624	-	1.9%	1,672
2018	19,673	593,741,110	58,419	-	2.2%	1,576

Source:

- (1) State of California Department of Finance.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis (data shown is for Los Angeles County), which was last updated in 2016.
- (3) Personal Income figures for 2008 are from the Internal Revenue Service individual income tax statistics by zip code and for Internal Revenue Service figures are not an ongoing statistical project therefore all years are not available. Census information is available every 10 years, however 2010 information is not yet available.
- (4) State of California Employment Development Department.
- (5) State of California Department of Education.

**City of Hermosa Beach**  
**Principal Employers**  
**Current Year and Ten Years Ago**

Employer	2018		2009	
	Number of employees	Percent of total employment	Number of employees	Percent of total employment
City of Hermosa Beach	158	3.39%	183	4.10%
24 Hour Fitness	-	0.00%	158	3.54%
Intensive Behavior Intervention Consultants	125	2.68%	-	0.00%
Von's Companies	125	2.68%	142	3.19%
Shorewood Realtors	-	0.00%	99	2.22%
First Steps for Kids, Inc.	101	2.17%	-	0.00%
Hermosa Beach School District	93	2.00%	82	1.84%
Trader Joe's	86	1.85%	-	0.00%
Ralph's	-	0.00%	77	1.73%
Hennessey's	75	1.61%	70	1.57%
24 Hour Fitness	68	1.46%	-	0.00%
Sunrise Assisted Living	65	1.40%	-	0.00%
ICAN California Abilities Network	64	1.37%	-	0.00%
Patick Molloy's	-	0.00%	64	1.44%
Comedy & Magic Club	-	0.00%	54	1.21%
Glen Ivy Hot Springs, Incorporated	-	0.00%	52	1.17%

Source: City of Hermosa Beach Finance Department

**City of Hermosa Beach**  
**Full-Time and Part-Time City Employees by Function**  
**Last Ten Fiscal Years**

<u>Function</u>	Full-time employees as of June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	19	16	16	13	17	18	20	20	21	21
Public safety	92	95	72	74	74	75	81	82	76	63 <sup>1</sup>
Community development	8	8	9	8	8	8	8	10	11	12
Culture and recreation	4	2	3	3	2	2	3	4	4	4
Public works	20	20	16	17	15	20	17	23	23	21
Total	<u>143</u>	<u>141</u>	<u>116</u>	<u>115</u>	<u>116</u>	<u>123</u>	<u>129</u>	<u>139</u>	<u>135</u>	<u>121</u>

<u>Function</u>	Part-time employees as of June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	-	-	-	-	-	3	4	6	4	5
Public safety	14	13	26	12	24	13	6	14	5	3 <sup>1</sup>
Community development	2	-	1	1	1	2	3	2	3	2
Culture and recreation	24	22	20	19	26	21	25	27	29	25
Public works	-	-	-	1	2	-	3	1	3	2
Total	<u>40</u>	<u>35</u>	<u>47</u>	<u>33</u>	<u>53</u>	<u>39</u>	<u>41</u>	<u>50</u>	<u>44</u>	<u>37</u>

Source: City of Hermosa Beach Finance Department

<sup>1</sup> Beginning 12/30/17, Fire Services are now provided by Los Angeles Co. Fire Department.



# City of Hermosa Beach

## Operating Indicators by Function

### Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police:										
Physical arrests	648	665	795	781	857	945	732	739	615	589
Traffic citations issued	2,503	2,798	1,593	2,290	1,819	3,421	2,406	1,966	1,826	1,408
Parking citations issued	52,080	47,620	63,010	68,193	70,678	74,228	65,783	62,957	56,398	57,206
Fire:										
Number of emergency calls <sup>1</sup>	2,273	2,162	2,149	2,487	2,488	2,386	2,467	2,678	2,427	1,965
Inspections <sup>2</sup>	965	908	436	559	495	657	1,061	540	611	227
Community development:										
Building permits issued	511	441	567	492	462	537	509	622	488	519
Culture and recreation:										
Number of recreation classes	138	165	172	169	129	134	514	526 <sup>3</sup>	498 <sup>3</sup>	617 <sup>3</sup>
Total enrollment	3,744	3,776	3,798	4,327	4,982	5,464	4,247	4,947	4,817	5,271
Public works:										
Graffiti removal	341	540	468	383	408	212	209	200	112	201 <sup>4</sup>
Permits issued	643	611	564	718	736	819	904	1,406	1,496	1,617

Source: Various city departments.

Note:

<sup>1</sup> Beginning 12/30/17, Fire Services are now provided by Los Angeles Co. Fire Department

<sup>2</sup> Fire Department Inspections were done by the City from 7/1/17 through 12/29/17. As of 12/30/17, these inspections are no longer provided by the City.

<sup>3</sup> A new software program was used for recreation classes after the 2013-14 fiscal year and classes are now counted by date and time rather than grouped.

<sup>4</sup> Beginning in 2017-18, Graffiti removal reflects the number of services calls due to a change in reporting software. All prior fiscal years reflect graffiti removal hours.

**City of Hermosa Beach**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Parking meters	1,666	1,663	1,663 <sup>1</sup>	1,663	1,663	1,565	1,553	1,553	1,557	1,558
Fire:										
Fire stations	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Community theatres	1	1	1	1	1	1	1	1	1	1
Public works:										
Beach (acres)	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5
Greenbelt (acres)	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Parks	20	20	20	20	20	20	20	20	20	20
Parks (acres)	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7
Sanitary sewers (miles)	34	34	34	34	34	40	40	40	40	40
Streets (miles)	40	40	40	40	40	40	40	40	40	40
Streetlights	392	392	392	392	392	400	400	400	400	400
Storm drains (miles)	1	1	1	1	1	2	2	2	2	2
Traffic Signals	18	18	18	19	19	19	19	19	19	19
Infiltration (miles) <sup>2</sup>			0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2

Source: City of Hermosa Beach Finance Department

<sup>1</sup> The City purchased 24 pay-by-space meters in fiscal year 2011. Fourteen of the machines are installed in City parking lots (which are reflected in this figure), with the remaining ten meters being returned for singled head meter for on-street parking.

<sup>2</sup> This is a system for monitoring the water quality before it reached the Pacific Ocean. The project was funded by a Federal ARRA Grant passed through the California State Water Control Board. Grant approval required the submission on an ongoing monitoring plan that was accepted by the grantor. The project received an award from the American Public Works Association in 2010.

**City of Hermosa Beach**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Calendar Years**

<b>Governmental Activities</b>					
<b>Fiscal Year Ended June 30</b>	<b>Lease Revenue Bonds</b>	<b>Total Government Activities</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita Debt<sup>2</sup></b>
			-	N/A	-
2009	-	-	-	N/A	-
2010	-	-	-	N/A	-
2011	-	-	-	N/A	-
2012	-	-	-	N/A	-
2013	-	-	-	N/A	-
2014	-	-	-	N/A	-
2015	-	-	-	N/A	-
2016	\$ 11,600,000	\$ 11,600,000	\$ 11,600,000	0.96%	586
2017	\$ 11,265,000	\$ 11,265,000	\$ 11,265,000	0.99%	574
2018	\$ 10,830,000	\$ 10,830,000	\$ 10,830,000	1.12%	551

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements

<sup>1</sup> This ratio is calculated using the median household income for the prior calendar year.

<sup>2</sup> This ratio is calculated using the population total as of January 1 of the calendar year.

**City of Hermosa Beach**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Calendar Years**  
*(In thousands, except per capita)*

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<b>Outstanding General Bonded Debt</b>				
<b>Fiscal Year Ended June 30</b>	<b>Lease Revenue Bonds</b>	<b>Total</b>	<b>Percent Assessed Value<sup>1</sup></b>	<b>Per Capita</b>
			-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	\$ 11,600,000	\$ 11,600,000	52.49%	586
2017	\$ 11,265,000	\$ 11,265,000	58.53%	574
2018	\$ 10,830,000	\$ 10,830,000	65.40%	551

**Note:** General bonded is debt payable with government fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

<sup>1</sup> Assessed value has been used because actual value of taxable property is not readily available in the State of California.

**City of Hermosa Beach**  
**Pledged-Revenue Coverage**  
**Last Ten Calendar Years**  
*(In thousands)*

Outstanding General Bonded Debt						
Fiscal Year Ended June 30	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal <sup>1</sup>	Interest	
2009	30,982	27,607	3,375	-	-	-
2010	31,049	27,169	3,880	-	-	-
2011	30,816	26,621	4,195	-	-	-
2012	31,903	25,997	5,906	-	-	-
2013	34,808	27,707	7,101	-	-	-
2014	37,533	29,566	7,967	-	-	-
2015	39,388	30,640	8,748	-	-	-
2016	41,111	36,404	4,707	-	270	17.43
2017	42,088	35,936	6,152	335	375	8.58
2018	45,004	36,356	8,648	435	356	10.93

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

<sup>1</sup> There was no principal payment due in the 15/16 fiscal year.

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## Staff Report

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### Staff Report

REPORT 19-0060

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**APPROVE CHANGES TO THE ASSOCIATE ENGINEER  
JOB DESCRIPTION**

(Human Resources Manager Vanessa Godinez)

**Recommended Action:**

Staff recommends that City Council approve changes made to the Associate Engineer job description, approved by the Professional and Administrative Employee Group on January 14, 2019 and approved by the Civil Service Board on January 16, 2019.

**Background:**

An Associate Engineer in the Public Works Department retired from his position, leaving a vacancy in the department. Before conducting the recruitment for the Associate Engineer position, the Public Works Director recommended a few minor changes to the job description. The changes were reviewed and approved by the Professional and Administrative Employee Group on January 14, 2019. The revised job description was reviewed and approved by the Civil Service Board on January 16, 2019.

**Fiscal Impact:**

There are no changes to the salary range, therefore, there is no fiscal impact to report.

**Attachments:**

Associate Engineer job description (red-lined)

**Respectfully Submitted by:** Vanessa Godinez, Human Resources Manager

**Approved:** Suja Lowenthal, City Manager

**CITY OF HERMOSA BEACH**  
**Class Specification**

**ASSOCIATE ENGINEER**

**DEFINITION**

Under direction of the Public Works Director, performs difficult and complex administrative and professional engineering duties in support of the City's engineering services and activities including planning, designing, and implementing various complex capital improvement projects; to act as a technical and administrative advisor; to supervise projects and other department personnel as assigned; reviews plans, designs, and specifications and recommends changes for compliance; ensures project completion in a timely and cost effective manner; evaluates projects and provide solutions to ensure compliance with applicable criteria, regulations, and codes; and responds to questions and inquiries from the general public, property owners, developers, architects, surveyors, contractors, and City staff.

**EXAMPLES OF DUTIES**

Performs a variety of difficult and complex professional civil engineering functions involved in the design and preparation of plans, specifications, and cost estimates for public works projects including street, storm drain, sanitary sewers, vehicle maintenance, parks, building, street lighting, traffic signal systems and related projects; assists with implementation of the administers—city-wide Capital Improvement Program and associated projects; researches projects for design requirements; performs project management functions for complex and difficult projects including preparing and monitoring budgets, preparing designs and specifications, reviewing and tracking the progress and work of consultants and contractors, monitoring the project schedule, administering permits, ensuring compliance with specifications, preparing budget, progress and status reports, and recommending modifications as necessary; performs complex calculations and prepares estimates of time and material costs; prepares requests for proposals and evaluates responses; prepares and administers contracts and specifications; performs special engineering studies and prepares reports; investigates field problems affecting, and responds to complaints regarding, maintenance operations, property owners, and contractors; may participate in the administration of special assessment and improvement districts; assists in administration and preparation of operating and capital improvement budgets; prepares and checks legal descriptions for deeds, easements, and rights-of way; may act as survey party chief; prepares a variety of difficult engineering reports, studies, and technical documentation including reports for City Council and Public Works Commission; supervises assigned projects and personnel and may lead the work of other department personnel; represents the City at various meetings and committees regarding the implementation of projects; responds to questions and inquiries from the general public, property owners, developers, architects, surveyors, contractors and City staff regarding engineering and development projects; coordinates assigned activities with other divisions, departments, and outside agencies; attends and participates in professional group meetings; maintains awareness of new trends and developments in the field of engineering.

**QUALIFICATIONS GUIDELINES**

**Knowledge, Skills & Abilities:** Knowledge of; operations, services, and activities of a municipal engineering design and construction program; advanced principles and practices of engineering as applied to public works operations and maintenance; utilities or building construction projects and cost estimating; principles and practices of project management and administration; legal implications and code requirements which will affect a project; applicable safety and health regulations and City rules and regulations, policies and procedures; basic methods and techniques of engineering plan review and analysis; modern office procedures,



methods, and equipment including computers and supporting word processing, spreadsheet applications, and specialized engineering software programs; NPDES/MS4 Permit related issues; principles and practices of geographic information systems programs; occupational health and safety standards; pertinent federal, state, and local codes, laws, and regulations. Ability to; perform complex professional engineering duties involved in the design, development and construction management of a variety of capital improvement projects; serve as the project manager on complex Capital Improvement Projects; prepare, review, interpret, analyze, and modify engineering plans, drawings, specifications, contract documents, and engineering reports for conformance to professional standards and approved budgets; perform complex engineering computations and make recommendations for the solution of engineering problems; possess excellent organizational skills; prepare and administer grant funds; prepare clear and concise administrative and technical reports; respond to questions and inquiries from a variety of sources regarding engineering and development projects; communicate clearly and concisely, both orally and in writing; establish and maintain effective working relationships with those contacted in the course of work.

**Education and Experience:** *Any combination of training and experience which would provide the required knowledge and abilities is qualifying. A typical way to obtain this required knowledge would be:*

Educational equivalent to ~~graduation from an accredited college or university with a Bachelor's degree~~ from an accredited college or university in civil engineering or closely related field and five years increasingly responsible experience in professional civil engineering work in Public Works or municipal engineering.

**Licenses/Certificates:** Possession of or ability to obtain an appropriate, -valid ~~Class C~~ California Driver's License with a safe driving record is required and must be maintained as valid during the course of employment. Possession of ~~The ideal candidate shall have a~~ valid California Engineer-in-Training (EIT) Certificate or registration as a California Professional Engineering License.

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#### **PHYSICAL DEMANDS AND WORKING ENVIRONMENT**

*The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.*

**Environment:** Work is performed primarily in a standard office environment with some travel to different sites; occasionally works in outside weather conditions.

**Physical:** Primary functions require sufficient physical ability and mobility to work in an office setting; to stand or sit for prolonged periods of time; to occasionally stoop, bend, kneel, crouch, reach, and twist; to lift, carry, push, and/or pull light to moderate amounts of weight; to operate office equipment requiring repetitive hand movement and fine coordination including use of a computer keyboard; to travel to other locations using various modes of private and commercial transportation; and to verbally communicate to exchange information.

**Vision:** See in the normal visual range with or without correction.

**Hearing:** Hear in the normal audio range with or without correction.

Revised: 12-26-18

Approved by the Civil Service Board: 08-21-13 01-16-2019

Approved by the City Council: 09-10-13



## Staff Report

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### Staff Report

REPORT 19-0048

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019

#### ORDINANCE NO. 19-1390

**“AN ORDINANCE OF THE CITY OF HERMOSA BEACH,  
CALIFORNIA, AMENDING THE MUNICIPAL CODE, TITLE 12,  
TO ADD CHAPTER 12.18, ‘WIRELESS FACILITIES IN PUBLIC  
RIGHTS OF WAY’ TO REGULATE WIRELESS FACILITIES  
IN THE PUBLIC RIGHT OF WAY”**

(City Clerk Elaine Doerfling)

#### **Recommended Action:**

The City Clerk recommends that the City Council waive full reading and adopt by title Ordinance No. 19-1390.

#### **Background:**

At the January 8, 2019 City Council meeting, staff presented the draft ordinance for Council consideration and recommended the following revisions to clarify: (1) that facilities are permitted in the right of way adjacent to all zoning districts; (2) the application requirement for proof of owner authorization to use the pole or structure; (3) the application requirement that proprietary information can be redacted from private leases that are submitted with the application to show authorization to attach to a certain pole or structure; and (4) the process for determining an application is complete.

Following the public hearing, the Council introduced the ordinance by a unanimous 4-0 vote (Fangary absent), as amended to include the four staff-recommended revisions noted above, and further amended to add an additional condition of approval as #28 to require permittees to remove nonoperational equipment from the pole or structure when installing new equipment under the permit.

**Attachments:** Ordinance No. 19-1390

**Submitted by:** Elaine Doerfling, City Clerk

**Noted:** Suja Lowenthal, City Manager

ORDINANCE NO. 19-1390

AN ORDINANCE OF THE CITY OF HERMOSA BEACH, CALIFORNIA,  
TO AMEND THE MUNICIPAL CODE, TITLE 12, TO ADD CHAPTER  
12.18, "WIRELESS FACILITIES IN PUBLIC RIGHTS OF WAY" TO  
REGULATE WIRELESS FACILITIES IN THE PUBLIC RIGHT OF WAY

THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA,  
DOES HEREBY ORDAIN AS FOLLOWS:

**SECTION 1.** A new Chapter 12.18 of Title 12 of the Hermosa Beach Municipal Code is hereby added to regulate wireless facilities in the public right of way (ROW) to read as follows:

**CHAPTER 12.18**

**WIRELESS FACILITIES IN PUBLIC RIGHTS OF WAY**

**Section 12.18.010 Applicability.**

The siting and construction of wireless facilities in the ROW are subject to the provisions of this Chapter 12.18. The siting and construction of wireless facilities on all other property are subject to the provisions in Title 17 of this code (the Zoning Ordinance).

**Section 12.18.020 Purpose.**

a) The purpose of this Chapter is to establish a process for managing, and uniform standards for acting upon, requests for the placement of wireless facilities within the ROW of the City adjacent to all zoning districts consistent with the City's obligation to promote the public health, safety, and welfare, to manage the ROW, and to ensure that the use and enjoyment of the ROW is not inconvenienced by the use of the ROW for the placement of wireless facilities. The City recognizes the importance of wireless facilities to provide high-quality communications service to the residents and businesses within the City, and the City also recognizes its obligation to comply with applicable Federal and State law regarding the placement of personal wireless services facilities in its ROW. This Ordinance shall be interpreted consistent with those provisions.

b) **Section 12.18.030 Definitions.** The terms used in this Chapter shall have the following meanings. In the event of any conflict between these definitions and applicable definitions in Federal law, the applicable provisions of Federal law shall control over these definitions.

**Application:** A formal request, including all required and requested documentation and information, submitted by an applicant to the City for a wireless encroachment permit.

1       **Applicant** means a person filing an application for placement or modification of a wireless  
2 facility in the ROW.

3       **Base Station** shall have the meaning as set forth in Title 47 Code of Federal Regulations  
4 (C.F.R.) Section 1.40001(b)(1), or any successor provision.

5       **Director** means the City’s Director of Public Works or designee.

6       **Eligible Facilities Request** shall have the meaning as set forth in Title 47 C.F.R. Section  
7 1.40001(b)(3), or any successor provision.

8       **FCC:** means the Federal Communications Commission or its lawful successor.

9       **Hearing Officer** means a person designated by the City Council to conduct hearings.

10       **Municipal Infrastructure** means City-owned or controlled property structures, objects, and  
11 equipment in the ROW, including, but not limited to, street lights, traffic control structures, banners,  
12 street furniture, bus stops or other poles, lighting fixtures, or electroliers located within the ROW.

13       **Permittee** means any person or entity granted a wireless encroachment permit pursuant to  
14 this Chapter.

15       **Personal Wireless Services** shall have the same meaning as set forth in 47 United States  
16 Code Section 332(c)(7)(C)(i).

17       **Personal Wireless Services Facility** means a wireless facility used for the provision of  
18 personal wireless services.

19       **Public Right of Way (ROW)** means any public street, alley, sidewalk, street island, median  
20 or parkway that is owned or granted by easement, operated, or controlled by the City.

21       **Small Cell Facility:** means (and is intended to be consistent with and declaratory of the  
22 definition of “small wireless facility” in Title 47 C.F.R. 1.6002(l), or any successor provision), a  
23 personal wireless services facility that meets any of the following conditions:

24           1) The facility—

25           (i) is mounted on an existing or proposed structure 50 feet or less in height, including  
26 antennas, as defined in Title 47 C.F.R. Section 1.1320(d), or

27           (ii) is mounted on an existing or proposed structure no more than 10 percent taller than other  
28 adjacent structures, or

(iii) does not extend an existing structure on which it is located to a height of more than 50 feet or by more than 10 percent, whichever is greater;

2) Each antenna associated with the deployment, excluding associated antenna equipment (as defined in the definition of antenna in Title 47 C.F.R. Section 1.1320(d)), is no more than three cubic feet in volume;

3) All other wireless equipment associated with the structure, including the wireless equipment associated with the antenna and any pre-existing associated equipment on the structure, is no more than 28 cubic feet in volume;

4) The facility does not require antenna structure registration under Title 47 C.F.R. Part 17;

5) The facility is not located on Tribal lands, as defined under Title 36 C.F.R. Section 800.16(x); and

6) The facility does not result in human exposure to radiofrequency radiation in excess of the applicable safety standards specified in Title 47 C.F.R. Section 1.1307(b).

**Structure:** means an apparatus located in the ROW which is in any way attached to, constructed on, or built into the ground, either directly or indirectly. This term includes, without limitation, street lights, traffic signals, and utility poles, but it does not include towers.

**Support Structure:** Any structure capable of supporting a base station.

**Tower:** Any apparatus built for the sole or primary purpose of supporting any FCC-licensed or authorized antennas and their associated facilities, including those that are constructed for personal wireless services, including, but not limited to, private, broadcast, and public safety services, as well as unlicensed wireless services and fixed wireless services such as microwave backhaul, and the associated site. This definition does not include utility poles.

**Underground Areas:** Those areas where there are no electrical facilities or facilities of the incumbent local exchange carrier in the ROW; or where the wires associated with the same are or are required to be located underground; or where the same are scheduled to be converted from overhead to underground. Electrical facilities are distribution facilities owned by an electric utility and do not include transmission facilities used or intended to be used to transmit electricity at nominal voltages in excess of 35,000 volts.

1       **Utility Pole:** A structure in the ROW designed to support electric, telephone and similar  
2 utility lines. A tower is not a utility pole.

3       **Wireless Encroachment Permit:** A permit issued pursuant to this Chapter authorizing the  
4 placement or modification of a wireless facility of a design specified in the permit at a particular  
5 location within the ROW; and the modification of any existing support structure to which the  
6 wireless facility is proposed to be attached.

7       **Wireless Facility, or Facility:** The transmitters, antenna structures and other types of  
8 installations used for the provision of wireless services at a fixed location, including, without  
9 limitation, any associated tower(s), support structure(s), and base station(s).

10       **Wireless Service Provider:** An entity that provides personal wireless services to end users.

11       **Wireless Infrastructure Provider:** A person that owns, controls, operates or manages a  
12 wireless facility or portion thereof within the ROW.

13       **Wireless Regulations:** Those regulations adopted by the City Council or Director  
14 implementing the provisions of this Chapter.

15       **Section 12.18.040 Scope.**

16       a) **In general.** There shall be a type of encroachment permit entitled a “wireless  
17 encroachment permit,” which shall be subject to all of the same requirements as an encroachment  
18 permit would under Chapter 12.16 in addition to all of the requirements of this Chapter. Unless  
19 exempted, every person who desires to place a wireless facility in the ROW or modify an existing  
20 wireless facility in the ROW must obtain a wireless encroachment permit authorizing the placement  
21 or modification in accordance with this Chapter. Except for small cell facilities, facilities qualifying  
22 as eligible facilities requests, or any other type of facility expressly allowed in the ROW by State or  
23 Federal law, no other wireless facilities shall be permitted pursuant to this Chapter.

24       b) **Exemptions.** This Chapter does not apply to:

25       1) The placement or modification of facilities by the City or by any other agency of the  
26 State solely for public safety purposes.

27       2) Installation of a "cell on wheels," “cell on truck” or a similar structure for a temporary  
28 period in connection with an emergency or event, but no longer than required for the emergency or

1 event, provided that installation does not involve excavation, movement, or removal of existing  
2 facilities.

3 c) **Other applicable requirements.** In addition to the wireless encroachment permit  
4 required herein, the placement of a wireless facility in the ROW requires the persons who will own  
5 or control those facilities to obtain all permits required by applicable law, and to comply with  
6 applicable law, including, but not limited, applicable law governing radio frequency (RF) emissions  
7 and all requirements for encroachments under HBMC Chapter 12.16.

8 d) **Pre-existing Facilities in the ROW.** Nothing in this Chapter shall validate any existing  
9 illegal or unpermitted wireless facilities. All existing wireless facilities shall comply with and  
10 receive a wireless encroachment permit, when applicable, to be considered legal and conforming.

11 e) **Public use.** Except as otherwise provided by California law, any use of the ROW  
12 authorized pursuant to this Chapter will be subordinate to the City's use and use by the public.

13 **Section 12.18.050 Administration.**

14 a) **Review Authority.** The Director is responsible for administering this Chapter. As part  
15 of the administration of this Chapter, the Director may:

- 16 1) Interpret the provisions of this Chapter;
- 17 2) Develop and implement standards governing the placement and modification of wireless  
18 facilities consistent with the requirements of this Chapter, including regulations governing  
19 collocation and resolution of conflicting applications for placement of wireless facilities;
- 20 3) Develop and implement acceptable design, location and development standards for  
21 wireless facilities in the ROW, taking into account the zoning districts bounding the ROW;
- 22 4) Develop forms and procedures for submission of applications for placement or  
23 modification of wireless facilities, and proposed changes to any support structure consistent with  
24 this Chapter;
- 25 5) Collect, as a condition of the completeness of any application, any fee established by this  
26 Chapter;
- 27 6) Establish deadlines for submission of information related to an application, and extend  
28 or shorten deadlines where appropriate and consistent with Federal laws and regulations;

1           7) Issue any notices of incompleteness, requests for information, or conduct or commission  
2 such studies as may be required to determine whether a permit should be issued;

3           8) Require, as part of, and as a condition of completeness of any application, that an  
4 applicant for a wireless encroachment permit send notice to members of the public that may be  
5 affected by the placement or modification of the wireless facility and proposed changes to any  
6 support structure;

7           9) Subject to appeal as provided herein, determine whether to approve, approve subject to  
8 conditions, or deny an application; and

9           10) Take such other steps as may be required to timely act upon applications for placement  
10 of wireless facilities, including issuing written decisions and entering into agreements to mutually  
11 extend the time for action on an application.

12           **b) Appeal.**

13           1) Any person claiming to be adversely affected by the decision of the Director pursuant  
14 to this Chapter may appeal the Director's decision. The appeal will be considered by a Hearing  
15 Officer appointed by the City Manager. The Hearing Officer may decide the issues *de novo* and  
16 whose written decision will be the final decision of the City. An appeal by a wireless infrastructure  
17 provider must be taken jointly with the wireless service provider that intends to use the wireless  
18 facility. As Section 332(c)(7) of the Telecommunications Act preempts local decisions premised  
19 directly or indirectly on the environmental effects of radio frequency (RF) emissions, appeals of the  
20 Director's decision premised on the environmental effects of radio frequency emissions will not be  
21 considered.

22           2) Where the Director grants an application based on a finding that denial would result in  
23 a prohibition or effective prohibition under applicable Federal law, the decision shall be  
24 automatically appealed to the Hearing Officer. All appeals must be filed within two (2) business  
25 days of the written decision of the Director, unless the Director extends the time therefore. An  
26 extension may not be granted where extension would result in approval of the application by  
27 operation of law.  
28



1           3) Any appeal shall be conducted so that a timely written decision may be issued in  
2 accordance with applicable law. The appeal shall be conducted in accordance with any procedures  
3 adopted in the Wireless Regulations.

4           **Section 12.18.060     General Standards for Wireless Facilities in the Public Right of**  
5 **Way.**

6           **Generally.** Wireless facilities in the ROW shall meet the minimum requirements set forth  
7 in this Ordinance and the Wireless Regulations, in addition to the requirements of any other  
8 applicable law.

9           a) **Regulations.** The wireless regulations and decisions on applications for placement of  
10 wireless facilities in the ROW shall, at a minimum, ensure that the requirements of this section are  
11 satisfied, unless it is determined that the applicant has established that denial of an application would,  
12 within the meaning of Federal law, prohibit or effectively prohibit the provision of personal wireless  
13 services, or otherwise violate applicable laws or regulations. If that determination is made, the  
14 requirements of this Chapter may be waived, but only to the minimum extent required to avoid the  
15 prohibition or violation.

16           b) **Minimum Standards.** Wireless facilities shall be installed and modified in a manner  
17 that minimizes risks to public safety, utilizes installation of new support structures or equipment  
18 cabinets in the ROW only after all existing and replacement structure options have been exhausted,  
19 and where feasible, places equipment underground, and otherwise maintains the integrity and  
20 character of the neighborhoods and corridors in which the facilities are located; ensures that  
21 installations are subject to periodic review to minimize the intrusion on the ROW; and ensures that  
22 the City bears no risk or liability as a result of the installations, and that such use does not  
23 inconvenience the public, interfere with the primary uses of the ROW, or hinder the ability of the  
24 City or other government agencies to improve, modify, relocate, abandon, or vacate the ROW or  
25 any portion thereof, or to cause the improvement, modification, relocation, vacation, or  
26 abandonment of facilities in the ROW.

27           c) **Location and Design Standards.** All applicants shall locate the facilities in accordance  
28 with the Design Standards and Wireless Regulations. All applicants shall, to the extent feasible,  
incorporate specific concealment elements to minimize visual impacts and incorporate design

1 requirements in accordance with the Design Standards adopted by resolution of the City Council and  
2 Wireless Regulations and ensure compliance with all standards for noise emissions, unless it is  
3 determined that another design is less intrusive or placement is required under applicable law.

4 **Section 12.18.070 Applications.**

5 a) **Submission.** Unless the Wireless Regulations provide otherwise, the applicant shall  
6 submit a paper copy and an electronic copy of any application, amendments, or supplements to an  
7 application, or responses to requests for information regarding an application to the Director.

8 b) **Content.** An application must contain:

9 1) Any information required pursuant to the Wireless Regulations;

10 2) The name of the applicant, its telephone number and contact information, and if the  
11 applicant is a wireless infrastructure provider, the name and contact information for the wireless  
12 service provider that will be using the wireless facility;

13 3) The name of the owner of the structure, if different from the applicant, and proof of  
14 owner's authorization for use of the structure.

15 4) A complete description of the proposed wireless facility and any and all work that will  
16 be required to install or modify it, including, but not limited to, detail regarding proposed  
17 excavations, if any; detailed site plans showing the location of the wireless facility, and dimensioned  
18 drawings with specifications for each element of the wireless facility, clearly describing the site and  
19 all structures and facilities at the site before and after installation or modification; and a dimensioned  
20 map identifying and describing the distance to the nearest residential dwelling unit and any historical  
21 structure within 500 feet of the facility. Before and after 360 degree photo simulations must be  
22 provided.

23 5) Documentation sufficient to show that the proposed facility will comply with generally-  
24 applicable health and safety provisions of the Municipal Code and the FCC's radio frequency  
25 emissions standards.

26 6) A copy of the lease or other agreement between the applicant and the owner of the  
27 property to which the proposed facility will be attached. Proprietary information may be redacted.

28 7) If the application is for a small cell facility, the application shall state as such and shall  
explain why the proposed facility meets the definition of small cell facility in this Chapter.

1           8) If the application is for an eligible facilities request, the application shall state as such  
2 and must contain information sufficient to show that the application qualifies as an eligible facilities  
3 request, which information must show that there is an existing wireless facility that was approved  
4 by the City. Before and after 360 degree photo simulations must be provided, as well as  
5 documentation sufficient to show that the proposed facility will comply with generally-applicable  
6 health and safety provisions of the Municipal Code and the FCC's radio frequency emissions  
7 standards.

8           9) Proof that notice of the application has been mailed to owners and occupants of real  
9 property, and the resident manager for any multi-family dwelling unit that includes ten (10) or more  
10 units, within 300 feet of the proposed wireless s facility.

11           10) If the applicant contends that denial of the application would prohibit or effectively  
12 prohibit the provision of service in violation of Federal law, or otherwise violate applicable law, the  
13 application must provide all information on which the applicant relies on in support of that claim.  
14 Applicants are not permitted to supplement this showing if doing so would prevent the City from  
15 complying with any deadline for action on an application.

16           11) The electronic version of an application must be in a standard format that can be easily  
17 uploaded on a web page for review by the public.

18           12) Any required fees.

19           c) **Fees.** Application fee(s) shall be required to be submitted with any application for a  
20 wireless encroachment permit, as established by City Council resolution. Notwithstanding the  
21 foregoing, no application fee shall be refundable, in whole or in part, to an applicant for a wireless  
22 encroachment permit unless paid as a refundable deposit.

23           d) **Waivers.** Requests for waivers from any application requirement of this section shall be  
24 made in writing to the Director or his or her designee. The Director may grant or deny a request for  
25 a waiver pursuant to this subsection. The Director may grant a request for waiver if it is demonstrated  
26 that, notwithstanding the issuance of a waiver, the City will be provided all information necessary  
27 to understand the nature of the construction or other activity to be conducted pursuant to the permit  
28 sought. All waivers approved pursuant to this subsection shall be (1) granted only on a case-by-case  
basis, and (2) narrowly-tailored to minimize deviation from the requirements of the Municipal Code.

1 e) **Incompleteness.** Wireless facility applications will be processed, and notices of  
2 incompleteness provided, in conformity with State, local, and Federal law. If such an application is  
3 incomplete, the Director may notify the applicant and specify the material omitted from the  
4 application.

5 **Section 12.18.080 Findings; Decisions; Consultants.**

6 a) **Findings Required for Approval.**

7 1) Except for eligible facilities requests, the Director or Hearing Officer, as the case may  
8 be, shall approve an application if, on the basis of the application and other materials or evidence  
9 provided in review thereof, all of the following findings can be made:

10 (i) The facility is not detrimental to the public health, safety, and welfare; and

11 (ii) The facility complies with this Chapter and all applicable design and development  
12 standards; and

13 (iii) The facility qualifies as a small cell facility; and

14 (iv) The facility meets applicable requirements and standards of State and Federal law.

15 2) For eligible facilities requests, the Director or Hearing Officer, as the case may be, shall  
16 approve an application if, on the basis of the application and other materials or evidence provided in  
17 review thereof, it finds the following:

18 (i) That the application qualifies as an eligible facilities request; and

19 (ii) That the proposed facility will comply with all generally-applicable laws.

20 b) **Decisions.** Decisions on an application by the Director or Hearing Officer shall be in  
21 writing and include the reasons for the decision.

22 c) **Independent Consultants.** The Director or Hearing Officer, as the case may be, is  
23 authorized, in its discretion, to select and retain independent consultant(s) with expertise in  
24 telecommunications in connection with the review of any application under this Chapter, at the  
25 expense of the applicant. Such independent consultant review may be retained on any issue that  
26 involves specialized or expert knowledge in connection with an application, including, but not  
27 limited to, application completeness or accuracy, structural engineering analysis, or compliance with  
28 FCC radio frequency emissions standards.

**Section 12.18.090 Conditions of Approval.**

1           a) **Generally.** In addition to any supplemental conditions imposed by the Director or  
2 Hearing Officer, as the case may be, all permits granted pursuant to this Chapter shall be subject to  
3 the following conditions, unless modified by the approving authority:

4           1) *Code Compliance.* The Permittee shall at all times maintain compliance with all  
5 applicable Federal, State and local laws, regulations and other rules, including, without limitation,  
6 those applying to use of the ROW.

7           2) *Permit Duration.* A wireless encroachment permit shall be valid for a period of ten (10)  
8 years, unless pursuant to another provision of the Code or these conditions, it expires sooner or is  
9 terminated. At the end of ten (10) years from the date of issuance, such Permit shall automatically  
10 expire, unless an extension or renewal has been granted. A person holding a wireless encroachment  
11 permit must either (1) remove the facility within thirty (30) days following the permit's expiration  
12 (provided that removal of support structure owned by City, a utility, or another entity authorized to  
13 maintain a support structure in the ROW need not be removed, but must be restored to its prior  
14 condition, except as specifically permitted by the City); or (2) at least ninety (90) days prior to  
15 expiration, submit an application to the Director to renew the permit, which application must, among  
16 all other requirements, demonstrate that the impact of the wireless facility cannot be reduced. The  
17 wireless facility must remain in place until it is acted upon by the City and all appeals from the City's  
18 decision exhausted.

19           3) *Timing of Installation.* The installation and construction authorized by a wireless  
20 encroachment permit shall begin within one (1) year after its approval, or it will expire without  
21 further action by the City. The installation and construction authorized by a wireless encroachment  
22 permit shall conclude, including any necessary post-installation repairs and/or restoration to the  
23 ROW, within ninety (90) days following the day construction commenced.

24           4) *Commencement of Operations.* The operation of the approved facility shall commence  
25 no later than one hundred and eighty (180) days after the completion of installation, or the wireless  
26 encroachment permit will expire without further action by the City. The Permittee shall provide  
27 Director notice that operations have commenced by the same date.

28           5) *As-Built Drawings.* The Permittee shall submit an as-built drawing within ninety (90)  
days after installation of the facility. As-builts shall be in an electronic format acceptable to the City.

1           6) *Inspections; Emergencies.* The City or its designee may enter onto the facility area to  
2 inspect the facility upon 24 hours prior notice to the Permittee. The Permittee shall cooperate with  
3 all inspections and may be present for any inspection of its facility by the City. The City reserves  
4 the right to enter or direct its designee to enter the facility and support, repair, disable, or remove  
5 any elements of the facility in emergencies or when the facility threatens imminent harm to persons  
6 or property. The City shall make an effort to contact the Permittee prior to disabling or removing  
7 any facility elements, but in any case shall notify Permittee within 24 hours of doing so.

8           7) *Inspections and Reporting.* The Permittee, when directed by the City, must perform an  
9 inspection of the facility and submit a report to the Director on the condition of the system to include  
10 any identified concerns and corrective action taken. Additionally, as the City performs maintenance  
11 on Municipal Infrastructure additional maintenance concerns may be identified. These will be  
12 reported to the owner of the facility. The City shall give the Permittee 30 days to correct the identified  
13 maintenance concerns after which the City reserves the right to take any action it deems necessary,  
14 which could include revocation of the permit. The burden is on the Permittee to demonstrate that it  
15 complies with the requirements herein. Prior to issuance of a permit under this Chapter, the owner  
16 of the facility shall sign an affidavit attesting to understanding the City's requirement for  
17 performance of annual inspections and reporting.

18           8) *Contact.* The Permittee shall at all times maintain accurate contact information for all  
19 parties responsible for the facility, which shall include a phone number, street mailing address and  
20 email address for at least one natural person.

21           9) *Insurance.* The Permittee shall obtain and maintain throughout the term of the permit a  
22 type and amount of insurance as specific in the Wireless Regulations. The relevant policy(ies) shall  
23 name the City, its elected/appointed officials, commission members, officers, representatives,  
24 agents, and employees as additional insured. The Permittee shall use its best efforts to provide thirty  
25 (30) days prior notice to the Director of to the cancellation or material modification of any applicable  
26 insurance policy.

27           10) *Indemnities.* The Permittee and, if applicable, the owner of the property upon which the  
28 wireless facility is installed shall defend, indemnify and hold harmless the City, its agents, officers,  
officials, and employees (i) from any and all damages, liabilities, injuries, losses, costs, and

1 expenses, and from any and all claims, demands, law suits, writs of mandamus, and other actions or  
2 proceedings brought against the City or its agents, officers, officials, or employees to challenge,  
3 attack, seek to modify, set aside, void or annul the City's approval of the permit, and (ii) from any  
4 and all damages, liabilities, injuries, losses, costs, and expenses, and any and all claims, demands,  
5 law suits, or causes of action and other actions or proceedings of any kind or form, whether for  
6 personal injury, death or property damage, arising out of or in connection with the activities or  
7 performance of the Permittee or, if applicable, the private property owner or any of each one's  
8 agents, employees, licensees, contractors, subcontractors, or independent contractors. In the event  
9 the City becomes aware of any such actions or claims the City shall promptly notify the Permittee  
10 and, if applicable, the private property owner and shall reasonably cooperate in the defense. The City  
11 shall have the right to approve, which approval shall not be unreasonably withheld, the legal counsel  
12 providing the City's defense, and the property owner and/or Permittee (as applicable) shall reimburse  
13 the City for any costs and expenses directly and necessarily incurred by the City in the course of the  
14 defense.

15       11) *Performance Bond*. Prior to issuance of a wireless encroachment permit, the Permittee  
16 shall file with the City, and shall maintain in good standing throughout the term of the approval, a  
17 performance bond or other surety or another form of security for the removal of the facility in the  
18 event that the use is abandoned or the permit expires, or is revoked, or is otherwise terminated. The  
19 security shall be in the amount equal to 100% of the cost of removal of the facility as specified in  
20 the application for the permit or as that amount may be modified by the Director in in the permit  
21 based on the characteristics of the installation. The Permittee shall reimburse the City for staff time  
22 associated with the processing and tracking of the bond, based on the hourly rate adopted by the City  
23 Council. Reimbursement shall be paid when the security is posted and during each administrative  
24 review.

25       12) *Adverse Impacts on Adjacent Properties*. Permittee shall undertake all reasonable efforts  
26 to avoid undue adverse impacts to adjacent properties and/or uses that may arise from the  
27 construction, operation, maintenance, modification, and removal of the facility.

28       13) *Interference*.

1 (a) The Permittee shall not move, alter, temporarily relocate, change, or interfere with any  
2 existing structure, improvement, or property without the prior consent of the owner of that structure,  
3 improvement, or property. No structure, improvement, or property owned by the City shall be moved  
4 to accommodate a permitted activity or encroachment, unless the City determines that such  
5 movement will not adversely affect the City or any surrounding businesses or residents, and the  
6 Permittee pays all costs and expenses related to the relocation of the City's structure, improvement,  
7 or property. Prior to commencement of any work pursuant to a wireless encroachment permit, the  
8 Permittee shall provide the City with documentation establishing to the City's satisfaction that the  
9 Permittee has the legal right to use or interfere with any other structure, improvement, or property  
10 within the ROW or City utility easement to be affected by Permittee's facilities.

11 (b) The facility shall not damage or interfere in any way with City property, the City's  
12 operations or the operations of prior-existing, third party installations. The City will reasonably  
13 cooperate with the Permittee and/or carrier to carry out such activities as are necessary to correct the  
14 interference.

15 (i) Signal Interference – The Permittee shall correct any such interference within 24 hours  
16 of written notification of the interference. Upon the expiration of the 24-hour cure period and until  
17 the cause of the interference is eliminated, the Permittee shall cease operation of any facility causing  
18 such interference until such interference is cured.

19 (ii) Physical Interference - The City shall give the Permittee 30 days to correct the  
20 interference after which the City reserves the right to take any action it deems necessary, which  
21 could include revocation of the permit.

22 (c) The City at all times reserves the right to take any action it deems necessary, in its sole  
23 discretion, to repair, maintain, alter, or improve the sites. Such actions may temporarily interfere  
24 with the operation of the facility. The City will in all cases, other than emergencies, give the applicant  
25 30 days written notification of such planned, non-emergency actions.

26 14) *No Right, Title, or Interest.* The permission granted by a wireless encroachment permit  
27 shall not in any event constitute an easement on or an encumbrance against the ROW. No right, title,  
28 or interest (including franchise interest) in the ROW, or any part thereof, shall vest or accrue in



1 Permittee by reason of a wireless encroachment permit or the issuance of any other permit or exercise  
2 of any privilege given thereby.

3 15) *No Possessory Interest*. No possessory interest is created by a wireless encroachment  
4 permit. However, to the extent that a possessory interest is deemed created by a governmental entity  
5 with taxation authority, the Permittee acknowledges that the City has given to the Permittee notice  
6 pursuant to California Revenue and Taxation Code Section 107.6 that the use or occupancy of any  
7 public property pursuant to a wireless encroachment permit may create a possessory interest which  
8 may be subject to the payment of property taxes levied upon such interest. Permittee shall be solely  
9 liable for, and shall pay and discharge prior to delinquency, any and all possessory interact taxes or  
10 other taxes, fees, and assessments levied against Permittee's right to possession, occupancy, or use  
11 of any public property pursuant to any right of possession, occupancy, or use created by this permit.

12 16) *General Maintenance*.

13 (a) The site and the facility, including, but not limited to, all landscaping, fencing, and related  
14 transmission equipment, must be maintained in a neat, safe and clean manner and in accordance with  
15 all approved plans. All graffiti on facilities must be removed at the sole expense of the Permittee  
16 within forty eight (48) hours after notification from the City. The Permittee shall ensure that all  
17 equipment and other improvements to be constructed and/or installed in connection with the  
18 approved plans are maintained in a manner that is not detrimental or injurious to the public health,  
19 safety, and general welfare and that the aesthetic appearance is continuously preserved, and  
20 substantially the same as shown in the approved plans at all times relevant to the permit.

21 (b) The Permittee shall repair, at its sole cost and expense, any damage including, but not  
22 limited to subsidence, cracking, erosion, collapse, weakening, or loss of lateral support to City  
23 streets, sidewalks, walks, curbs, gutters, trees, parkways, street lights, traffic signals, improvements  
24 of any kind or nature, or utility lines and systems, underground utility line and systems (water, sewer,  
25 storm drains, gas, oil, electrical, etc.) that result from any activities performed in connection with  
26 the installation and/or maintenance of a wireless facility in the ROW. The Permittee shall restore  
27 such areas, structures and systems to the condition in which they existed prior to the installation or  
28 maintenance that necessitated the repairs. In the event the Permittee fails to complete such repair  
within the number of days stated on a written notice by the Director the City will engage resources

1 at the Permittee's sole cost and expense to complete such repairs. Such time period for correction  
2 shall be based on the facts and circumstances, danger to the community and severity of the disrepair.  
3 Should the Permittee not make said correction within the time period allotted the Director shall cause  
4 such repair to be completed at Permittee's sole cost and expense.

5 (c) The Permittee shall keep the site area free from all litter and debris at all times. Each year  
6 after the Permittee installs the wireless facility, the Permittee, if requested by the Director, shall  
7 submit a written report to the satisfaction of the Director, documenting the then-current site  
8 condition.

9 17) *RF Exposure Compliance.* All facilities must comply with all standards and regulations  
10 of the FCC and any other State or Federal government agency with the authority to regulate RF  
11 exposure standards. After transmitter and antenna system optimization, but prior to unattended  
12 operations of the facility, the Permittee or its representative must conduct on-site post-installation  
13 RF emissions testing to demonstrate actual compliance with the FCC Office of Engineering and  
14 Technology Bulletin 65 RF emissions safety rules for general population/uncontrolled RF exposure  
15 in all sectors. For this testing, the transmitter shall be operating at maximum operating power, and  
16 the testing shall occur outwards to a distance where the RF emissions no longer exceed the  
17 uncontrolled/general population limit.

18 18) *Testing.* Testing of any equipment shall take place on weekdays only, and only between  
19 the hours of 8:30 a.m. and 4:30 p.m., except that testing is prohibited on holidays that fall on a  
20 weekday. In addition, testing is prohibited on weekend days.

21 19) *Modifications.* No changes shall be made to the approved plans without review and  
22 approval in accordance with this Chapter.

23 20) *Agreement with City.* If not already completed, the Permittee shall enter into the  
24 appropriate agreement with the City, as determined by the City, prior to constructing, attaching, or  
25 operating a facility on Municipal Infrastructure. This permit is not a substitute for such agreement.

26 21) *Conflicts with Improvements.* For all facilities located within the ROW, the Permittee  
27 shall remove or relocate, at its expense and without expense to the City, any or all of its facilities  
28 when such removal or relocation is deemed necessary by the City by reason of any change of grade,  
alignment, or width of any ROW, for installation of services, water pipes, drains, storm drains, power

1 or signal lines, traffic control devices, ROW improvements, or for any other construction, repair, or  
2 improvement to the ROW.

3 22) *Abandonment*. If a facility is not operated for a continuous period of 6 months, the  
4 wireless encroachment permit and any other permit or approval therefor shall be deemed abandoned  
5 and terminated automatically, unless before the end of the 6 month period (i) the Director has  
6 determined that the facility has resumed operations, or (ii) the City has received an application to  
7 transfer the permit to another service provider. No later than thirty (30) days from the date the  
8 facility is determined to have ceased operation or the Permittee has notified the Director of its intent  
9 to vacate the site, the Permittee shall remove all equipment and improvements associated with the  
10 use and shall restore the site to its original condition to the satisfaction of the Director. The Permittee  
11 shall provide written verification of the removal of the facilities within thirty (30) days of the date  
12 the removal is completed. If the facility is not removed within thirty (30) days after the permit has  
13 been discontinued pursuant to this subsection, the site shall be deemed to be a nuisance, and the City  
14 may cause the facility to be removed at Permittee's expense or by calling any bond or other financial  
15 assurance to pay for removal. If there are two (2) or more users of a single facility or support  
16 structure, then this provision shall apply to the specific elements or parts thereof that were  
17 abandoned, but will not be effective for the entirety thereof until all users cease use thereof.

18 23) *Encourage Co-location*. Where the facility site is capable of accommodating a co-located  
19 facility upon the same site in a manner consistent with the permit conditions for the existing facility,  
20 the owner and operator of the existing facility shall allow co-location of third party facilities,  
21 provided the parties can mutually agree upon reasonable terms and conditions.

22 24) *Records*. The Permittee must maintain complete and accurate copies of all permits and  
23 other regulatory approvals issued in connection with the facility, which includes without limitation  
24 this approval, the approved plans and photo simulations incorporated into this approval, all  
25 conditions associated with this approval and any ministerial permits or approvals issued in  
26 connection with this approval. In the event that the Permittee does not maintain such records as  
27 required in this condition or fails to produce true and complete copies of such records within a  
28 reasonable time after a written request from the City, any ambiguities or uncertainties that would be  
resolved through an inspection of the missing records will be construed against the Permittee.

1           25) *Attorney's Fees.* In the event the City determines that it is necessary to take legal action  
2 to enforce any of these conditions, or to revoke a permit, and such legal action is taken, the Permittee  
3 shall be required to pay any and all costs of such legal action, including reasonable attorney's fees,  
4 incurred by the City, even if the matter is not prosecuted to a final judgment or is amicably resolved,  
5 unless the City should otherwise agree with Permittee to waive said fees or any part thereof. The  
6 foregoing shall not apply if the Permittee prevails in the enforcement proceeding.

7           26) The Permittee is responsible for obtaining power to the facility and for the cost of  
8 electrical usage,

9           27) Failure to comply with the City's adopted noise standard after written notice and  
10 opportunity to cure have been given shall be grounds for the City to revoke the permit.

11           28) The Permittee shall remove all non-operational equipment from any structure on which  
12 it installs new equipment under the permit

13           b) **Eligible Facilities Requests.** In addition to the conditions provided in Section 12.18.090  
14 of this Chapter and any supplemental conditions imposed by the Director or Hearing Officer as the  
15 case may be, all permits for an eligible facility requests granted pursuant to this Chapter shall be  
16 subject to the following additional conditions, unless modified by the approving authority:

17           1) *Permit subject to conditions of underlying permit.* Any permit granted in response to an  
18 application qualifying as an eligible facilities request shall be subject to the terms and conditions of  
19 the underlying permit.

20           2) *No permit term extension.* The City's grant or grant by operation of law of an eligible  
21 facilities request permit constitutes a federally-mandated modification to the underlying permit or  
22 approval for the subject tower or base station. Notwithstanding any permit duration established in  
23 another permit condition, the City's grant or grant by operation of law of a eligible facilities request  
24 permit will not extend the permit term for the underlying permit or any other underlying regulatory  
25 approval, and its term shall have the same term as the underlying permit or other regulatory approval  
26 for the subject tower or base station.

27           3) *No waiver of standing.* The City's grant or grant by operation of law of an eligible  
28 facilities request does not waive, and shall not be construed to waive, any standing by the City to

1 challenge Section 6409(a) of the Spectrum Act, any FCC rules that interpret Section 6409(a) of the  
2 Spectrum Act, or any modification to Section 6409(a) of the Spectrum Act.

3 c) **Small Cell Facilities Requests.** In addition to the conditions provided in 12.18.090 of  
4 this Chapter and any supplemental conditions imposed by the Director or Hearing Officer, as the  
5 case may be, all permits for a small cell facility granted pursuant to this Chapter shall be subject to  
6 the following condition, unless modified by the approving authority:

7 1) *No waiver of standing.* The City's grant of a permit for a small cell facility request does  
8 not waive, and shall not be construed to waive, any standing by the City to challenge any FCC orders  
9 or rules related to small cell facilities, or any modification to those FCC orders or rules.

10 **Section 12.18.100 Breach; Termination of Permit.**

11 a) **For breach.** A wireless encroachment permit may be revoked for failure to comply with  
12 the conditions of the permit or applicable law. Upon revocation, the wireless facility must be  
13 removed within thirty (30) days; provided that removal of a support structure owned by City, a  
14 utility, or another entity authorized to maintain a support structure in the ROW need not be removed,  
15 but must be restored to its prior condition, except as specifically permitted by the City. All costs  
16 incurred by the City in connection with the revocation and removal shall be paid by entities who  
17 own or control any part of the wireless facility.

18 b) **For installation without a permit.** A wireless facility installed without a wireless  
19 encroachment permit (except for those exempted by this Chapter) must be removed within thirty  
20 (30) days of notification by the City; provided that removal of support structure owned by City, a  
21 utility, or another entity authorized to maintain a support structure in the ROW need not be removed,  
22 but must be restored to its prior condition, except as specifically permitted by the City. All costs  
23 incurred by the City in connection with the revocation and removal shall be paid by entities who  
24 own or control any part of the wireless facility.

25 c) **Violation.** Any violation of this Chapter will be subject to the same penalties as a  
26 violation of Chapter 12.16.

27 **Section 12.18.110 Infrastructure Controlled By City.** The City, as a matter of policy,  
28 will negotiate agreements for use of Municipal Infrastructure. The placement of wireless facilities  
on those structures shall be subject to the agreement. The agreement shall specify the compensation

1 to the City for use of the structures. The person seeking the agreement shall additionally reimburse  
2 the City for all costs the City incurs in connection with its review of, and action upon the person's  
3 request for, an agreement.

4 **Section 12.18.120 Nondiscrimination.** In establishing the rights, obligations and  
5 conditions set forth in this Chapter, it is the intent of the City to treat each applicant or ROW user in  
6 a competitively neutral and nondiscriminatory manner, to the extent required by law, and with  
7 considerations that may be unique to the technologies, situation and legal status of each particular  
8 applicant or request for use of the ROW.

9 **SECTION 2.** The Director or his or her designee, is directed to execute all documents and  
10 to perform all other necessary City acts to implement the effect this Ordinance, including the  
11 promulgation of regulations to implement this Ordinance.

12 **SECTION 3. CEQA.** This Ordinance is not a project within the meaning of Section 15378  
13 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no  
14 potential for resulting in physical change in the environment, directly or indirectly. Most of the terms  
15 and scope of City discretion are guided by existing State and Federal law. This Ordinance creates an  
16 administrative process to process requests for wireless facilities in the ROW and the City's discretion  
17 with these applications is limited. The Ordinance does not authorize any specific development or  
18 installation on any specific piece of property within the City's boundaries, most of which will be  
19 placed on existing infrastructure. Alternatively, even if the Ordinance is a "project" within the  
20 meaning of State CEQA Guidelines Section 15378, the Ordinance is exempt from CEQA on multiple  
21 grounds. First, the Ordinance is exempt from CEQA because the City Council's adoption of the  
22 Ordinance is covered by the general rule that CEQA applies only to projects which have the potential  
23 for causing a significant effect on the environment. (State CEQA Guidelines, § 15061(b)(3)). This  
24 Ordinance creates an administrative procedure for wireless carriers to apply to place facilities in the  
25 ROW, often on existing infrastructure. Moreover, in the event that the Ordinance is interpreted so  
26 as to permit installation of wireless facilities on a particular site, the installation would be exempt  
27 from CEQA review in accordance with either State CEQA Guidelines Section 15302 (replacement  
28 or reconstruction), State CEQA Guidelines Section 15303 (new construction or conversion of small  
structures), and/or State CEQA Guidelines Section 15304 (minor alterations to land), as these

1 facilities are allowed under Federal and State law, are by their nature smaller when placed in the  
2 ROW and subject to various siting and design preferences to prevent aesthetic impact to the extent  
3 feasible.

4 **SECTION 4.** Effective Date. This Ordinance shall become effective and be in full force  
5 and effect from and after thirty (30) days of its passage and adoption.

6 **SECTION 5.** The City Council designates the City Attorney to prepare a summary of this  
7 Ordinance to be published pursuant to Government Code Section 36933(c)(1) in-lieu of the full text  
8 of the Ordinance. The City Clerk caused said summary to be published on January 17, 2019 [five  
9 (5) days before the adoption of the Ordinance] in The Easy Reader, a weekly adjudicated newspaper  
10 of general circulation, published and circulated in Hermosa Beach. Prior to the expiration of fifteen  
11 (15) days after the date of adoption of this Ordinance, the City Clerk shall cause the summary to be  
12 re-published in The Easy Reader.

13 **SECTION 6.** The City Clerk shall certify to the passage and adoption of this Ordinance,  
14 shall enter the same in the book of original ordinances of said City; shall make minutes of the  
15 passage and adoption thereof in the records of the proceedings of the City Council at which the  
16 same is passed and adopted.

17 **PASSED, APPROVED and ADOPTED** this 22nd day of January, 2019 by the following  
18 vote:

19 AYES:  
20 NOES:  
21 ABSENT:  
22 ABSTAIN:

23 \_\_\_\_\_  
24 **PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach, California

25  
26 ATTEST:

APPROVED AS TO FORM:

27  
28 \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

1/22/19 AGENDA, ITEM 3a - ORDINANCE 19-1390  
SUPPLEMENTAL LETTER SUBMITTED TO THE CITY MANAGER'S OFFICE BY JIM LISSNER  
ON 1/21/19 AT 10:32 P.M.

----- Forwarded Message -----

**Subject:**Fwd: Aerial Cabling - clarification  
**Date:**Mon, 21 Jan 2019 00:47:31 -0800  
**From:**Jim <jim@vivahermosa.com>  
**Reply-To:**jim@vivahermosa.com  
**To:**citycouncil@hermosabch.org

1-20-19

Subject: Aerial Cabling - clarification

Venue: 1-22-19 adoption of 5G Cell Site Rules

Honorable Councilmembers:

Please require that existing active but unnecessarily-long cabling be shortened so that snowshoes can be taken down.

Regards,

Jim Lissner

----- Forwarded Message -----

**Subject:**Aerial Cabling - clarification  
**Date:**Wed, 9 Jan 2019 16:53:19 -0800  
**From:**Jim <jim@vivahermosa.com>  
**Reply-To:**[jim@vivahermosa.com](mailto:jim@vivahermosa.com)  
**To:**[citycouncil@hermosabch.org](mailto:citycouncil@hermosabch.org)

1-9-19

Subject: Aerial Cabling - clarification

Venue: Drafting of 5G Cell Site Rules

Honorable Councilmembers:

After I spoke last night about aerial cabling, you moved to add language requiring that unused or obsolete cabling should be removed, but you did not require that existing active but overly-long cabling be shortened so that snowshoes are no longer necessary. Please add that requirement.

Regards,

Jim Lissner  
Hermosa Beach resident





## Staff Report

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### Staff Report

REPORT 19-0049

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**RESOLUTION AUTHORIZING CITY CLERK SALARY ADJUSTMENT  
AND CONSIDERATION OF NOVEMBER 2019 BALLOT MEASURE  
FOR APPOINTED CITY CLERK**

(Assistant to the City Manager Nico De Anda-Scaia)

#### **Recommended Action:**

Staff recommends that the City Council:

1. Adopt Resolution No. 19-XXXX adjusting the compensation of the elected City Clerk back to its previous base salary rate as of June 9, 2015; and
2. Direct the City Attorney to bring back to the City Council the resolution required for placing a ballot question on the November 2019 General Municipal Election, asking voters to change the elected City Clerk position to an appointed office.

#### **Executive Summary:**

After 29 years of service to Hermosa Beach, City Clerk Elaine Doerfling will be retiring at the conclusion of her current term in November 2019. The City has been fortunate to have had Ms. Doerfling serve the City with such professionalism and distinction these many years. Ms. Doerfling was uniquely qualified having had city clerk training and experience in other cities before she ran for and was elected Hermosa's City Clerk.

Due to the evolving nature of federal, State and local requirements and increasing complexities within the field of city clerkship, the vast majority of cities assure that they have a certified professional serving as city clerk by having an appointed, rather than an elected clerk. As she prepares for her retirement from City service, Ms. Doerfling affirms that transitioning this role to an appointed position is in the best interest of the City and its residents; therefore, along with the offices of the City Manager and City Attorney, she recommends that the City Council consider placing a measure on the November 2019 Ballot asking voters whether the City Clerk position should be an appointed office.

The base salary of the elected City Clerk has been adjusted multiple times on a temporary basis over the years to account for changing duties within the City Clerk's Department and increased responsibilities associated with coordinating municipal elections. Circumstances have changed within

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## Staff Report

REPORT 19-0049

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the office of the City Clerk since the last salary adjustment which merit readjusting the base salary of this position back to the previous rate in effect on June 9, 2015. Resolution No. 19-XXX (Attachment 1) is, therefore, presented to City Council for consideration and adoption to make that adjustment.

### **Background:**

State law requires every general law city have a city clerk, who may be either elected by the voters or appointed. The City Clerk position in Hermosa Beach has been an elected position serving four-year terms since the City was incorporated in 1907, as per California Government Code §36502.

### **City Clerk Compensation**

Currently, the City Clerk receives a fulltime base salary of \$77,616 with full retirement and health benefits. Over the years, the compensation of the City Clerk has been periodically adjusted on a temporary basis to account for additional duties and time associated with the City's elections. The last election-related pay increase was approved by Council on June 9, 2015 by Resolution No. 15-6967 (Attachment 2) for the term of June 16, 2015 to November 15, 2015 and equated to doubling the Clerk's part-time salary to compensate for fulltime hours that were anticipated leading up to the City's municipal election that November. Subsequently, at its July 28, 2015 meeting, the City Council adopted Resolution No. 15-6989 (Attachment 3) updating the City Clerk's duties and base salary to fulltime compensation effective November 16, 2015. This compensation update was to remain in full force until such time that the resolution was amended or repealed by the City Council.

### **City Clerk Duties and Responsibilities**

The responsibilities of the City Clerk are enumerated in the California Government Code and in City of Hermosa Beach Resolution No. 15-6989 (Attachment 3). The City Clerk's duties include, but are not limited to:

- Record and maintain a record of Council proceedings.
- Keep all ordinances and resolutions of the Council.
- Assure that records of the Council meetings and Council correspondence are kept in such a manner that the information contained therein will be readily accessible and open to the public.
- Be the custodian of the City seal.
- Administer oaths.
- Take affidavits and depositions.
- Certify copies of official records.
- Conduct elections.
- Responsible for publication of official notices of the City.
- Receive all claims filed against the City.
- Assure compliance with directives, administrative procedures and policies.
- Coordinate, record and retain the Statements of Economic Interests of all elected and

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## Staff Report

REPORT 19-0049

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appointed officials and staff, as required by the Political Reform Act .

- Collect and maintain all candidate Campaign Finance Forms, as required by the Political Reform Act.

In addition to these basic, historic duties, the Legislature has assigned ever greater and more complex responsibilities to the City Clerk over the years, particularly in the area of public records management, an area that has burgeoned in the era of electronic communications. The City Clerk also administers the City's campaign finance ordinance.

### **Discussion:**

Under State law, there are only three requirements individuals must meet to run for and serve in the elected position of City Clerk: be at least 18 years old, live in the City and be a registered voter in Hermosa Beach. The City is prohibited from establishing any other requirements or qualifications beyond those listed in State law. However, due to the complexities associated with the position, it is essential that the Clerk have all required certifications, training and experience.

In Hermosa Beach, as obligations under State Government Code imposed on the City Clerk have increased over time, the City Manager's Department has absorbed key responsibilities of the City Clerk's Department, including agenda management, general records management and coordination of electronic document management systems, candidate and elected official orientations, public information, and oversight of the City website and calendars. Additionally, in the summer of 2018, City Clerk Department staff began reporting directly to the City Manager's Department. Altogether, the absorption of key responsibilities by the City Manager's Office, merit readjusting the base salary of the elected City Clerk to more adequately reflect current duties and oversight. Therefore, staff recommends that the Clerk's compensation return to its previous rate from June 9, 2015, and that this change be adopted by resolution, effective through November 2019.

### **Elected Versus Appointed City Clerk**

As noted above, under the elected clerk system, there is no guarantee that a future holder of the elected position would have the necessary qualifications and experience required, since the only statutory eligibility requirements for the position are to be a registered voter and resident of the City of Hermosa Beach. When this position becomes vacant in November 2019 following the retirement of Ms. Doerfling, given the small size of the City's population, there is no assurance that a qualified individual will be elected to the post.

Further, with an elected city clerk, the voters are the only oversight to ensure she/he dutifully carries out the responsibilities of the job; the only review, therefore, comes via elections. Appointed clerks undergo regular performance reviews and may be disciplined or terminated for nonperformance.

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## Staff Report

REPORT 19-0049

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For these reasons and others, the majority of cities throughout the state and the country have appointed city clerks, hired based on professional standards for the position as well as experience and credentials, rather than through a general election process.

According to available data from 2016, of California's 482 municipalities, approximately 73% have appointed city clerks (Attachment 4). Nationally, over 80% of city clerks are appointed with the percentage of municipal elected city clerks continuing to decline year over year. In the South Bay region specifically, these numbers are more closely split across municipalities. Cities of the South Bay region address the appointment issue as follows:

CITY	POPULATION	CITY CLERK ELECTED or APPOINTED
Carson	92,636	Elected
El Segundo	16,893	Elected
Gardena	58,829	Elected
Hawthorne	87,662	Elected
Inglewood	111,795	Elected
Lawndale	33,365	Elected
Lomita	20,403	Appointed
Manhattan Beach	35,488	Appointed
Palos Verdes Estates	13,663	Appointed
Rancho Palos Verdes	42,884	Appointed
Redondo Beach	67,717	Elected
Rolling Hills	1,895	Appointed
Rolling Hills Estates	8,184	Appointed
Torrance	147,101	Elected
Hermosa Beach	19,616	Elected

Making this position appointed will:

- Help ensure the City is able to appoint individuals to the position of city clerk that possess the necessary qualifications and expertise.
- Eliminate the potential for individuals to be elected to this position that require duties that they are unqualified to perform, which could cause serious problems for the City.
- Allow for continuous oversight of daily operations.
- Help facilitate more straightforward and effective management by having a city clerk function in which all of the Clerk's Department responsibilities are performed by in-house staff, as opposed to the current arrangement in which some work is performed by staff and other work by an elected official.

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## Staff Report

REPORT 19-0049

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For the various reasons outlined in this report, the City Clerk, along with the offices of the City Manager and City Attorney agree that transitioning this role to a professional appointed position is in the best interest of the City and its residents. It is, therefore, recommended that the City Council consider placing a measure on the November 2019 Ballot, asking voters whether the City Clerk position should be an appointed office.

### Ballot Measure

The Government Code authorizes the City Council to submit to the voters the question of whether or not to make the position appointed:

*Government Code §36508:*

*At any municipal election, or a special election held for that purpose, the City Council may submit to the electors the questions whether the elective officers, or any of them except Council members, shall be appointed by the City Council; provided, however, that the City Council shall not submit such question to the electors more often than once in an 11-month period.*

*Government Code §36509:*

*The question shall be printed on the ballots used at the election substantially in the following form: "Shall the office of City Clerk be appointed?"*

*The words "yes" and "no" shall be so printed on the ballots that the voters may express their choice.*

If a majority of voters approve making the position appointed, Government Code §36510 provides that the City Council can, by ordinance, delegate its appointment authority to the City Manager:

*Government Code §36510:*

*If a majority of the votes cast on the proposition is for it, the City Council shall appoint such officers at the expiration of the terms of the officers then in office, and on a vacancy in any such office. Such officers shall hold office during the pleasure of the City Council and, notwithstanding Section 36502 to the contrary, are not required to be residents or electors in the City. The City Council may by ordinance vest in the City Manager its authority to appoint such officers.*

*(Amended by Stats. 1963, Ch. 509.)*

Delegating appointment authority to the City Manager is recommended for the following reasons:

1. Selection of the next City Clerk would be handled with the same selection process already used for other positions in the City to ensure a qualified candidate is appointed.
2. Since the City Clerk is responsible for coordinating and conducting elections and processing

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## Staff Report

REPORT 19-0049

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possible recalls, potential conflict situations that can occur when the City Clerk is appointed by the City Council would be avoided.

3. Supervision and performance evaluation would be provided most effectively since most day-to-day direction and oversight of City operations is provided by the City Manager.

Placing a ballot measure before the electorate is accomplished by City Council adoption of a resolution that:

- Submits proposed ballot measure wording to the Los Angeles County Elections Official;
- Authorizes City Council members and/or other individuals (up to five) to file a written argument regarding the measure, including providing for the filing of rebuttal arguments to the measure in accordance with filing deadlines; and
- Directs the City Attorney to prepare an impartial analysis of the measure.

If the City Council places the recommended measure on the ballot this year and it is successful, the change would be effective at the end of the existing elected term of the City Clerk in November 2019.

### Next Steps

Direct staff to return to Council with a discussion item concerning future base salary of the City Clerk position as of November, 2019. This matter should return to Council at the same meeting as the resolution for a ballot question on the November 2019 General Municipal Election.

### Summary

Whether appointed or elected, the City Clerk works for the people. The question is which selection process would produce the most qualified person to hold the position for years to come. Over two-thirds of California cities appoint its clerks, choosing from candidates who are professionals in their field and making their selection based on experience and qualifications.

Staff, therefore, recommends that the City Council direct the City Attorney's Office to draft a resolution for City Council consideration calling for a measure to be placed on the ballot for the November 2019 General Election asking voters if the position of City Clerk should be elected or appointed. If so directed, staff would bring a draft resolution forward within the next several months.

### General Plan Consistency:

This report and associated recommendations have been evaluated for their consistency with the City's General Plan. Relevant policies are listed below:

### Governance Element:

*1.6 Long-term Considerations.* Prioritize decisions that provide long-term community benefit and discourage decisions that provide short-term community benefit but reduce long-term opportunities.

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## Staff Report

REPORT 19-0049

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*2.6 Responsive to Community Needs.* Continue to be responsive to community inquiries, providing public information and recording feedback from community interactions.

### **Fiscal Impact:**

Fiscal implications associated with the recommended action include immediate savings of \$17,926 through the end of the Fiscal Year due to the reduction in base salary of the elected City Clerk from full-time to part-time pay. Part-time pay for this position would equate to an annual base salary of \$38,808. The addition of a ballot measure to the November 2019 ballot has an anticipated cost of between \$5,000 - \$10,000. If the ballot measure is successful, personnel costs budgeted for the elected position would be applied toward the future appointment of a full-time permanent executive City Clerk.

### **Attachments:**

1. Draft Resolution 19-XXXX
2. Resolution 15-6967 - June 9, 2015
3. Resolution 15-6989 - July 28, 2015
4. California City Clerks List - Elective and Appointed Comparison Data

**Respectfully Submitted by:** Nico De Anda-Scaia, Assistant to the City Manager

**Concur:** Elaine Doerfling, City Clerk

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, City Manager

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**RESOLUTION NO. 19-xxxx**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, FIXING THE COMPENSATION TO BE RECEIVED BY THE CITY CLERK, UPDATING THE PARTIAL LIST OF CITY CLERK DUTIES, AND RESCINDING RESOLUTION NO. 15-6989**

**WHEREAS**, the City Council has reviewed, and desires to modify, the compensation for the City Clerk, whose position has evolved from full-time to part-time (20 hours per week) due to changed duties and circumstances since the previous salary adjustment of Resolution No. 15-6989, adopted July 28, 2015, and effective November 26, 2015.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Pursuant to Section 2.72.050 of the City of Hermosa Beach Municipal Code, the compensation of the City Clerk shall be fixed by resolution of the City Council.

**SECTION 2.** Effective February 1, 2019, the City Clerk shall receive a monthly salary equal to half of the top step of the Deputy City Clerk classification salary range (A21), payable semi-monthly at the same time and in the same manner as the salaries paid to each of the officers and employees of the City.

**SECTION 3.** The rate of compensation set forth in Section 2 of this Resolution shall be in full force and effect beginning February 1, 2019, and shall remain in full force until such time as this Resolution is amended or repealed.

**SECTION 4.** The City Clerk shall be eligible for the same insurance benefits as the City Council and the same retirement benefits as other Miscellaneous employees, as defined by the California Public Employees Retirement System (CalPERS).

**SECTION 5.** The regular duties of the City Clerk shall be the usual and statutory duties outlined in relevant provisions of the California Government Code and in Exhibit "A" attached hereto and titled "Partial List of City Clerk's Duties." Administering elections is excluded from the scope of regular duties, and the City Clerk may request additional compensation during election periods due to the significant impact an election has on the City Clerk's normal workload.



1           **SECTION 6.** This Resolution rescinds and supersedes City Council Resolution No. 15-  
2 6989, adopted July 28, 2015, with an effective date of November 26, 2015.

3           **SECTION 7.** The City Clerk shall certify to the passage and adoption of this Resolution,  
4 shall enter the same in the book of original Resolutions of said city; and shall make minutes of the  
5 passage and adoption thereof in the records of the proceedings of the City Council at which the  
6 same is passed and adopted.

7                           **PASSED, APPROVED and ADOPTED** this 22nd day of January, 2019.

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10                           \_\_\_\_\_  
11           **PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach, California

12           ATTEST:

12                           APPROVED AS TO FORM:

13  
14           \_\_\_\_\_  
15           City Clerk

14           \_\_\_\_\_  
15           City Attorney

## EXHIBIT “A”

### PARTIAL LIST OF CITY CLERK DUTIES

- Maintain Custody of Records (Gov’t. Code §§ 34090.5, 36520, 40801, 40806, 40808)
- Serve as Clerk of the Council (Gov’t. Code §§ 36804, 36814)
- Record/Maintain Proceedings of Council Meetings (Gov’t. Code §§ 36814, 40801)
  - Attest or Declare (if no quorum) Adjournments (Gov’t. Code § 54955 *et seq.*)
- Attest/Publish/index/File Ordinances (Gov’t. Code §§ 36932, 36933, 40806)
  - Attest/Index/File Resolutions
- Maintain Custody of City Seal (Gov’t. Code § 40811)
- Administer/File Oaths of Office (Gov’t. Code §§ 3102, 36507)
- Administer Oaths/Affirmations/Acknowledgements (Gov’t. Code § 40811)
  - Oath of Disaster Service (Gov’t. Code § 36900)
- Conduct Elections (Gov’t Code § 36900; Election Code § 22800 *et seq.* *et al*)
- Receive Initiative/Referendum/Recall Petitions (Election Code § 4001 *et seq.*)
- Countersign General Obligation Bonds (Gov’t. Code § 43623)
- Attest to (and Accept) Subpoenas (Gov’t. Code § 37105)
- File Affidavit of Completion (Gov’t. Code § 34080)
- Duties re Improvement/Assessment District Proceedings (Various State Codes)
- Duties re Street Vacations (Various State Codes)
- Duties re Filing of Claims (Various State Codes)
- Public Hearing Notices (Various State Codes)
- Open Lists of Local Appointive Offices (Gov’t Code § 54970)
- Process Appeals of Commission Actions (H.B. Municipal Code)
- Updates/Administers City’s Conflict of Interest Code
- Administers the City’s Records Management Program
- Maintains/Updates the City’s Municipal Code
- Administers the Government Access Channels
- Manages the Vacancies of All Boards/Commissions
- Accepts/Processes/Reports on Customer Service Survey/Complaints
- Public Record Requests
- Conduct Research, Assemble Data and Prepare Various Reports to City Council
- Annual Reports to the County Tax Assessor on City Lease Agreements
- Provides City-Documents Notary Services
- Prepares City Clerk/Election Budget
- Receive/Process Written Communications from the Public to the City Council
- Contract with Newspaper for Legal Notices and Other Required Publications
- Record Documents (as required) with the County Recorder’s Office
- Receive and Open Bids

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**RESOLUTION NO. 15-6967**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH,  
CALIFORNIA, FIXING THE COMPENSATION TO BE RECEIVED BY THE CITY  
CLERK FOR THE GENERAL MUNICIPAL ELECTION OF NOVEMBER 3, 2015**

**WHEREAS**, the matter of the General Municipal Election of November 3, 2015, as it relates to additional duties and staffing, was reviewed by the City Council on June 9, 2015.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** That pursuant to City of Hermosa Beach Municipal Code Section 2.72.050, the compensation of the City Clerk shall be fixed by Resolution of the City Council.

**SECTION 2.** That the City Clerk shall receive an additional monthly salary equal to the Clerk's regular monthly salary throughout the November 3, 2015 election process, commencing June 16, 2015, and ending November 15, 2015, payable semi-monthly at the same time and in the same manner as the salaries paid to each of the officers and employees of the City.


**SECTION 3.** That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions, and shall make minutes of the passage and adoption thereof in the records of the proceedings of the City Council at which the same is passed and adopted.

**PASSED, APPROVED and ADOPTED** this 9th day of June, 2015.

  
\_\_\_\_\_  
**PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach

**ATTEST:**

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
City Attorney


STATE OF CALIFORNIA           )  
COUNTY OF LOS ANGELES       )  
CITY OF HERMOSA BEACH       )

I, Elaine Doerfling, City Clerk of the City of Hermosa Beach, California, do hereby certify that the foregoing Resolution No. 15-6967 was duly and regularly passed, approved and adopted by the City Council of the City of Hermosa Beach at a Regular Meeting of said Council at the regular place thereof on June 9, 2015.

The vote was as follows:

AYES:           Barragan, DiVirgilio, Fangary, Petty, Mayor Tucker  
NOES:           None  
ABSENT:       None  
ABSTAIN:       None

Dated:           June 10, 2015

  
Elaine Doerfling, City Clerk

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**RESOLUTION NO. 15-6989**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, FIXING THE COMPENSATION TO BE RECEIVED BY THE CITY CLERK, PROVIDING A JOB DESCRIPTION FOR SUCH COMPENSATION, AND RESCINDING RESOLUTION NO. 89-5332**

**WHEREAS**, the City Council has reviewed, and desires to modify, the compensation for the City Clerk, whose position has evolved over the years from part-time (20 hours per week) to full-time; and

**WHEREAS**, the City Council desires to update the job description of the City Clerk to reflect current duties and other changes that have occurred since November 28, 1989, when the most recent resolution (89-5332) was adopted.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Pursuant to Section 2.72.050 of the City of Hermosa Beach Municipal Code, the compensation of the City Clerk shall be fixed by resolution of the City Council.

**SECTION 2.** Effective November 16, 2015, the City Clerk shall receive a monthly salary equal to the top step of the Deputy City Clerk classification salary range (A21), payable semi-monthly at the same time and in the same manner as the salaries paid to each of the officers and employees of the City.

**SECTION 3.** The rate of compensation set forth in Section 2 of this Resolution shall be in full force and effect beginning November 16, 2015, and shall remain in full force until such time as this Resolution is amended or repealed.

**SECTION 4.** The City Clerk shall be eligible for the same insurance benefits as the City Council and the same retirement benefits as other Miscellaneous employees, as defined by the California Public Employees Retirement System (CalPERS).

**SECTION 5.** The regular duties of the City Clerk shall be the usual and statutory duties outlined in relevant provisions of the California Government Code and in Exhibit "A" attached hereto and titled "Partial List of City Clerk's Duties." Administering elections is excluded from the list of regular duties, and the City Clerk shall request additional compensation during election periods due to the significant impact an election has on the City Clerk's normal workload.

1        **SECTION 6.** This Resolution rescinds and supersedes City Council Resolution No. 89-  
2        5332, adopted November 28, 1989.


3        **SECTION 7.** The City Clerk shall certify to the passage and adoption of this Resolution,  
4        shall enter the same in the book of original Resolutions of said city; and shall make minutes of the  
5        passage and adoption thereof in the records of the proceedings of the City Council at which the  
6        same is passed and adopted.

7                    **PASSED, APPROVED and ADOPTED** this 28th day of July, 2015.

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10        **PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach, California

11  
12        ATTEST:

13                    APPROVED AS TO FORM:

14          
15        City Clerk

16                      
17        City Attorney

## EXHIBIT “A”

### PARTIAL LIST OF CITY CLERK DUTIES

- Maintain Custody of Records (Gov't. Code §§ 34090.5, 36520, 40801, 40806, 40808)
- Serve as Clerk of the Council (Gov't. Code §§ 36804, 36814)
- Record/Maintain Proceedings of Council Meetings (Gov't. Code §§ 36814, 40801)
  - Attest or Declare (if no quorum) Adjournments (Gov't. Code § 54955 *et seq.*)
- Attest/Publish/Index/File Ordinances (Gov't. Code §§ 36932, 36933, 40806)
  - Attest/Index/File Resolutions
- Maintain Custody of City Seal (Gov't. Code § 40811)
- Administer/File Oaths of Office (Gov't. Code §§ 3102, 36507)
- Administer Oaths/Affirmations/Acknowledgements (Gov't. Code § 40811)
  - Oath of Disaster Service (Gov't. Code § 36900)
- Conduct Elections (Gov't Code § 36900; Election Code § 22800 *et seq.* *et al*)
- Receive Initiative/Referendum/Recall Petitions (Election Code § 4001 *et seq.*)
- Countersign General Obligation Bonds (Gov't. Code § 43623)
- Attest to (and Accept) Subpoenas (Gov't. Code § 37105)
- File Affidavit of Completion (Gov't. Code § 34080)
- Duties re Improvement/Assessment District Proceedings (Various State Codes)
- Duties re Street Vacations (Various State Codes)
- Duties re Filing of Claims (Various State Codes)
- Public Hearing Notices (Various State Codes)
- Open Lists of Local Appointive Offices (Gov't Code § 54970)
- Process Appeals of Commission Actions (H.B. Municipal Code)
- Public Information Officer
- Updates/Administers City's Conflict of Interest Code
- Administers the City's Records Management Program
- Maintains/Updates the City's Municipal Code
- Administers the Government Access Channels
- Maintains the City's Website and Online Calendar
- Manages the Vacancies of All Boards/Commissions
- Passport Facility for the U.S. Department of State
- Accepts/Processes/Reports on Customer Service Survey/Complaints
- Public Record Requests
- Conduct Research, Assemble Data and Prepare Various Reports to City Council
- Annual Reports to the County Tax Assessor on City Lease Agreements
- Provides City-Documents Notary Services
- Prepares City Clerk/Election Budget
- Receive/Process Written Communications from the Public to the City Council
- Contract with Newspaper for Legal Notices and Other Required Publications
- Record Documents (as required) with the County Recorder's Office
- Receive and Open Bids
- Administration of the City Clerk's Department

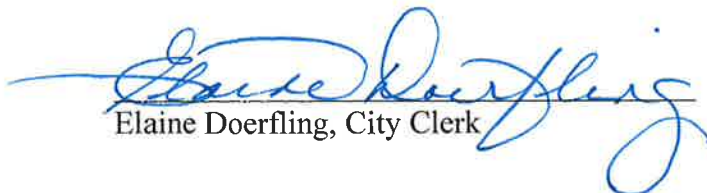
STATE OF CALIFORNIA           )  
COUNTY OF LOS ANGELES    )  
CITY OF HERMOSA BEACH       )

I, Elaine Doerfling, City Clerk of the City of Hermosa Beach, California, do hereby certify that the foregoing Resolution No. 15-6989 was duly and regularly passed, approved and adopted by the City Council of the City of Hermosa Beach at a Regular Meeting of said Council at the regular place thereof on July 28, 2015.

The vote was as follows:

AYES:           DiVirgilio, Fangary, Tucker  
NOES:           Petty, Mayor Barragan  
ABSENT:       None  
ABSTAIN:       None

Dated:           July 29, 2015

  
Elaine Doerfling, City Clerk



City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Adelanto	32,511	Charter	Appointed	
Agoura Hills	20,625	General Law	Appointed	City Manager
Alameda	75,988	Charter	Appointed	
Albany	18,472	Charter	Appointed	City Manager
Alhambra	84,697	Charter	Appointed	
Aliso Viejo	49,951	General Law	Appointed	
Alturas	2,668	General Law	Appointed	
Amador	179	General Law	Appointed	
American Canyon	20,001	General Law	Appointed	City Manager
Anaheim	348,305	Charter	Appointed	
Anderson	10,361	General Law	Appointed	City Manager
Angels City	3,726	General Law	Elected	
Antioch	106,455	General Law	Elected	N/A
Apple Valley	70,755	General Law	Appointed	
Arcadia	57,500	Charter	Elected	N/A
Arcata	17,734	General Law	Appointed	
Arroyo Grande	17,334	General Law	Appointed	City Manager
Artesia	16,776	General Law	Appointed	
Arvin	20,226	General Law	Appointed	City Manager
Atascadero	28,675	General Law	Elected	City Manager
Atherton	6,917	General Law	Appointed	
Atwater	29,050	General Law	Elected	N/A
Auburn	13,804	General Law	Elected	
Avalon	3,820	General Law	Appointed	
Avenal	13,239	General Law	Appointed	
Azusa	48,385	General Law	Elected	N/A
Bakersfield	367,315	Charter	Appointed	City Manager
Baldwin Park	76,715	General Law	Elected	N/A
Banning	30,325	General Law	Appointed	
Barstow	23,292	General Law	Elected	N/A
Beaumont	40,876	General Law	Elected	
Bell	35,972	Charter	Appointed	
Bell Gardens	42,667	General Law	Appointed	
Bellflower	77,741	General Law	Appointed	

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Belmont	26,559	General Law	Elected	N/A
Belvedere	2,094	General Law	Appointed	
Benicia	27,454	General Law	Elected	
Berkeley	117,372	Charter	Appointed	City Manager
Beverly Hills	34,677	General Law	Appointed	City Council
Big Bear Lake	5,121	Charter	Appointed	City Manager
Biggs	1,684	General Law	Appointed	City Administrator
Bishop	3,875	General Law	Appointed	
Blue Lake	1,251	General Law	Appointed	City Council
Blythe	18,992	General Law	Elected	
Bradbury	1,082	General Law	Appointed	
Brawley	25,897	General Law	Appointed	City Manager
Brea	42,397	General Law	Appointed	Administrative Services Director
Brentwood	54,741	General Law	Appointed	
Brisbane	4,431	General Law	Appointed	
Buellton	4,893	General Law	Appointed	
Buena Park	82,344	Charter	Appointed	City Council
Burbank	105,543	Charter	Elected	N/A
Burlingame	29,685	General Law	Appointed	
Calabasas	23,943	General Law	Appointed	Administrative Services Director
Calexico	40,564	General Law	Appointed	City Manager
California City	13,276	General Law	Appointed	
Calimesa	8,231	General Law	Appointed	City Manager
Calipatria	7,517	General Law	Elected	City Council
Calistoga	5,224	General Law	Appointed	City Manager
Camarillo	66,752	General Law	Appointed	City Manager
Campbell	41,993	General Law	Appointed	
Canyon Lake	10,826	General Law	Appointed	City Manager
Capitola	10,136	General Law	Appointed	City Manager
Carlsbad	110,169	Charter	Elected	n/a
Carmel-by-the-Sea	3,722	General Law	Appointed	
Carpinteria	13,442	General Law	Appointed	
Carson	92,636	General Law	Elected	
Cathedral City	52,595	General Law	Elected	

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Ceres	46,463	General Law	Appointed	City Manager
Cerritos	49,741	Charter	Appointed	City Council
Chico	88,389	Charter	Appointed	
Chino	81,747	General Law	Appointed	
Chino Hills	76,131	General Law	Appointed	City Council
Chowchilla	18,971	General Law	Appointed	City Manager
Chula Vista	256,139	Charter	Appointed	City Council
Citrus Heights	84,544	General Law	Appointed	
Claremont	35,920	General Law	Appointed	City Manager
Clayton	11,200	General Law	Appointed	City Manager
Clearlake	15,194	General Law	Elected	
Cloverdale	8,641	General Law	Appointed	
Clovis	102,188	General Law	Appointed	City Council/Manager
Coachella	43,633	General Law	Elected	
Coalinga	16,467	General Law	Elected	
Colfax	1,998	General Law	Appointed	City Manager
Colma	1,470	General Law	Appointed	
Colton	53,057	General Law	Elected	
Colusa	6,171	General Law	Elected	N/A
Commerce	13,003	General Law	Appointed	
Compton	98,082	Charter	Elected	
Concord	124,656	General Law	Appointed	
Corcoran	22,515	General Law	Appointed	
Corning	7,598	General Law	Elected	City Council/Manager
Corona	159,132	General Law	Appointed	City Manager
Coronado	23,419	General Law	Appointed	
Corte Madera	9,381	General Law	Appointed	
Costa Mesa	111,846	General Law	Appointed	
Cotati	7,288	General Law	Appointed	
Covina	48,619	General Law	Elected	City Manager
Crescent City	6,935	General Law	Appointed 11-14	City Manager
Cudahy	24,142	General Law	Appointed	
Culver City	39,579	Charter	Appointed	
439 Cupertino	59,946	General Law	Appointed	City Manager

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Cypress	48,886	General Law	Appointed	City Council
Daly City	105,076	General Law	Elected	
Dana Point	34,037	General Law	Appointed	
Danville	43,146	General Law	Appointed	
Davis	66,656	General Law	Appointed	
Del Mar	4,234	Charter	Appointed	
Del Rey Oaks	1,665	General Law	Appointed	
Delano	52,591	General Law	Appointed	City Manager
Desert Hot Springs	28,001	Charter	Appointed	City Manager
Diamond Bar	56,400	General Law	Appointed	
Dinuba	23,666	Charter	Appointed	
Dixon	19,005	General Law	Appointed	City Manager
Dorris	938	General Law	Appointed	
Dos Palos	5,050	General Law	Appointed	
Downey	113,363	Charter	Appointed	
Duarte	21,668	General Law	Appointed	
Dublin	53,462	General Law	Appointed	
Dunsmuir	1,645	General Law	Elected	
East Palo Alto	28,934	General Law	Appointed	
Eastvale	59,185	General Law	Appointed	City Manager
El Cajon	101,256	Charter	Appointed	City Manager
El Centro	44,311	Charter	Appointed	City Council
El Cerrito	24,087	General Law	Appointed	
El Monte	115,064	General Law	Elected	
El Paso de Robles	30,469	General Law	Elected	
El Segundo	16,897	General Law	Elected	N/A
Elk Grove	160,688	General Law	Appointed	
Emeryville	10,491	Charter	Appointed	City Manager
Encinitas	61,204	General Law	Appointed	
Escalon	7,323	General Law	Appointed	City Council
Escondido	147,102	General Law	Appointed	City Manager
Etna	738	General Law	Appointed	City Council
Eureka	26,914	Charter	Appointed	
Exeter	10,539	Charter	Appointed	

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Fairfax (Town Clerk/Deputy)	7,541	General Law	Elected/FT Deputy	N/A/Town Manager
Fairfield	110,018	General Law	Elected	
Farmersville	10,932	General Law	Appointed	
Ferndale (Town Clerk/FT Deputy)	1,357	General Law	Elected/FT staff	N/A/Town Manager
Fillmore	15,339	General Law	Elected	N/A
Firebaugh	7,809	General Law	Appointed	
Folsom	74,014	Charter	Appointed	City Manager
Fontana	202,177	General Law	Elected	
Fort Bragg	7,350	General Law	Appointed	City Council
Fort Jones	715	General Law	Appointed	
Fortuna	11,902	Charter	Appointed	City Manager
Foster City	32,168	General Law	Appointed	City Manager
Fountain Valley	56,702	General Law	Appointed	City Manager
Fowler	5,883	General Law	Appointed	
Fremont	223,972	General Law	Appointed	Assistant City Manager
Fresno	515,609	Charter	Appointed	City Council
Fullerton	140,131	General Law	Appointed	City Manager
Galt	24,289	General Law	Appointed	City Council
Garden Grove	173,953	General Law	Appointed	
Gardena	60,082	General Law	Elected	
Gilroy	52,413	Charter	Appointed	City Council
Glendale	195,799	Charter	Elected	
Glendora	51,290	General Law	Appointed	
Goleta	30,202	General Law	Appointed	City Manager
Gonzales	8,383	General Law	Appointed	
Grand Terrace	12,285	General Law	Appointed	
Grass Valley	12,668	Charter	Appointed	
Greenfield	16,919	General Law	Appointed	
Gridley	6,739	General Law	Appointed	
Grover Beach	13,153	General Law	Appointed	City Manager
Guadalupe	7,144	General Law	Appointed	
Gustine	5,648	General Law	Appointed	
Half Moon Bay	11,721	General Law	Appointed	City Manager
Hanford	55,283	General Law	Appointed	

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Hawaiian Gardens	14,456	General Law	Appointed	
Hawthorne	86,644	General Law	Elected	
Hayward	151,037	Charter	Appointed	City Council
Healdsburg	11,541	General Law	Appointed	
Hemet	81,537	General Law	Appointed	City Manager
Hercules	24,572	General Law	Appointed	
Hermosa Beach	19,750	General Law	Elected	
Hesperia	91,506	General Law	Appointed	
Hidden Hills	1,901	General Law	Appointed	
Highland	54,033	General Law	Appointed	
Hillsborough	11,260	General Law	Appointed	
Hollister	36,676	General Law	Appointed	City Manager
Holtville	6,154	General Law	Appointed	City Manager/City Council
Hughson	7,118	General Law	Appointed	
Huntington Beach	195,999	Charter	Elected	N/A
Huntington Park	59,033	General Law	Appointed	
Huron	6,843	General Law	Appointed	
Imperial	16,708	General Law	Elected	N/A
Imperial Beach	26,675	General Law	Appointed	
Indian Wells	5,137	Charter	Appointed	City Manager
Indio	82,398	General Law	Elected	
Industry	438	Charter	Appointed	
Inglewood	111,795	Charter	Elected	
Ione	6,759	General Law	Elected	
Irvine	242,651	Charter	Appointed	
Irwindale	1,466	Charter	Appointed	
Isleton	815	General Law	Appointed	
Jackson	4,545	General Law	Elected	
Jurupa Valley	97,774	General Law	Appointed	
Kerman	14,339	General Law	Appointed	
King City	13,211	Charter	Appointed	
Kingsburg	11,685	Charter	Appointed	
La Canada Flintridge	20,535	General Law	Appointed	City Manager
La Habra	61,717	General Law	Appointed	City Manager

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
La Habra Heights	5,420	General Law	Appointed	
La Mesa	58,769	General Law	Appointed 11/14	
La Mirada	49,178	General Law	Appointed	City Manager
La Palma	15,896	General Law	Appointed	
La Puente	40,478	General Law	Appointed	
La Quinta	39,032	Charter	Appointed	City Manager
La Verne	32,228	General Law	Appointed	
Lafayette	24,659	General Law	Appointed	Admin. Services Director
Laguna Beach	23,225	General Law	Elected	N/A
Laguna Hills	30,857	General Law	Appointed	City Manager
Laguna Niguel	64,460	General Law	Appointed	City Manager
Laguna Woods	16,581	General Law	Appointed	
Lake Elsinore	56,718	General Law	Appointed	City Council
Lake Forest	79,139	General Law	Appointed	Deputy City Manager
Lakeport	4,807	General Law	Appointed	City Council
Lakewood	81,224	General Law	Appointed	City Manager
Lancaster	159,878	Charter	Appointed	Deputy City Manager
Larkspur	12,102	General Law	Appointed	City Manager
Lathrop	19,831	General Law	Appointed	City Manager
Lawndale	33,228	General Law	PT Elected	N/A
Lemon Grove	25,928	General Law	Appointed	City Manager
Lemoore	25,281	Charter	Appointed	City Council/Manager
Lincoln	45,206	General Law	Appointed	
Lindsay	12,650	Charter	Appointed	
Live Oak	8,481	General Law	Appointed	
Livermore	84,852	General Law	Appointed	
Livingston	13,793	General Law	Appointed	
Lodi	63,651	General Law	Appointed	
Loma Linda	23,614	General Law	Appointed	City Manager
Lomita	20,630	General Law	Appointed	
Lompoc	43,314	General Law	Appointed	City Administrator
Long Beach	470,292	General Law	Appointed	
Loomis	6,608	General Law	Appointed	
Los Alamitos	11,729	Charter	Appointed	City Manager

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Los Altos	29,969	General Law	Appointed	
Los Altos Hills	8,354	General Law	Appointed	
Los Angeles	3,904,657	Charter	Appointed	City Council
Los Banos	37,168	General Law	Elected	City Manager
Los Gatos	30,532	General Law	Appointed	Town Manager
Loyalton	729	General Law	Appointed	
Lynwood	70,980	General Law	Elected	N/A
Madera	63,008	General Law	Appointed	
Malibu	12,865	General Law	Appointed	City Manager
Mammoth Lakes	8,098	General Law	Appointed	
Manhattan Beach	35,619	General Law	Appointed	
Manteca	72,880	General Law	Appointed	City Manager
Maricopa	1,180	General Law	Elected	
Marina	20,268	Charter	Appointed	
Martinez	36,842	General Law	Elected	N/A
Marysville	12,266	Charter	Appointed	
Maywood	27,758	General Law	Elected	
McFarland	13,745	General Law	Elected	
Mendota	11,225	General Law	Appointed	
Menifee	83,716	General Law	Appointed	City Manager
Menlo Park	32,896	General Law	Appointed	City Manager
Merced	81,130	Charter	Appointed	City Manager
Mill Valley	14,257	General Law	Appointed	
Millbrae	22,605	General Law	Appointed	
Milpitas	70,092	General Law	Appointed	City Manager
Mission Viejo	95,334	General Law	Appointed	City Manager
Modesto	206,785	Charter	Appointed	City Council
Monrovia	37,162	General Law	Elected	
Montague	1,440	General Law	Appointed	
Montclair	37,374	General Law	Appointed	City Manager
Monte Sereno	3,450	General Law	Appointed	
Montebello	63,527	General Law	Elected	
Monterey	28,381	Charter	Appointed	City Manager
Monterey Park	61,777	General Law	Elected	N/A



City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Moorpark	35,172	General Law	Appointed	City Manager/City Council
Moraga	16,348	General Law	Appointed	Town Manager
Moreno Valley	199,258	General Law	Appointed	City Council
Morgan Hill	41,197	General Law	Elected	N/A
Morro Bay	10,276	General Law	Appointed	
Mount Shasta	3,392	General Law	Elected	
Mountain View	76,781	Charter	Appointed	City Council
Murrieta	106,425	General Law	Appointed	City Manager
Napa	78,358	Charter	Appointed	City Council
National City	59,381	General Law	Elected	N/A
Needles	4,908	Charter	Appointed	City Manager
Nevada City	3,016	General Law	Elected	
Newark	43,856	General Law	Appointed	Administrative Services Director
Newman	10,668	General Law	Appointed	
Newport Beach	86,874	Charter	Appointed	City Council
Norco	26,582	Charter	Appointed	
Norwalk	106,630	General Law	Appointed	City Manager
Novato	52,967	General Law	Appointed	City Manager
Oakdale	21,442	General Law	Elected	N/A
Oakland	404,355	Charter	Appointed	
Oakley	38,075	General Law	Appointed	City Manager
Oceanside	171,183	Charter	Elected	N/A
Ojai	7,594	General Law	Elected	N/A
Ontario	167,382	General Law	Elected	N/A
Orange	139,279	General Law	Elected	
Orange Cove	9,410	General Law	Appointed	
Orinda	18,089	General Law	Appointed	
Orland	7,683	General Law	Appointed	
Oroville	15,980	Charter	Appointed	City Administrator
Oxnard	203,645	General Law	Elected	N/A
Pacific Grove	15,431	Charter	Appointed	
Pacifica	38,292	General Law	Appointed	
Palm Desert	50,417	Charter	Appointed	City Manager
Palm Springs	46,135	Charter	Appointed	City Manager

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Palmdale	155,657	Charter	Appointed	
Palo Alto	66,861	Charter	Appointed	City Council
Palos Verdes Estates	13,665	General Law	Appointed	City Manager
Paradise	26,109	General Law	Appointed	Town Council
Paramount	55,051	General Law	Appointed	
Parlier	15,019	General Law	Appointed	
Pasadena	140,879	Charter	Appointed	City Council
Patterson	20,922	General Law	Appointed	
Perris	72,103	General Law	Elected	N/A
Petaluma	59,000	Charter	Appointed	City Council
Pico Rivera	63,873	General Law	Appointed	City Manager
Piedmont	11,023	Charter	Appointed	
Pinole	18,794	General Law	Appointed	City Council
Pismo Beach	7,705	General Law	Appointed	City Manager
Pittsburg	66,368	General Law	Elected	N/A
Placentia	52,094	Charter	Elected	
Placerville	10,527	General Law	Appointed	City Manager
Pleasant Hill	33,872	General Law	Appointed 11/16	City Council
Pleasanton	73,067	General Law	Appointed	City Manager
Plymouth	976	General Law	Elected	
Point Arena	454	General Law	Appointed	
Pomona	151,713	General Law	Appointed	City Council
Port Hueneme	22,399	Charter	Appointed	Deputy City Manager
Porterville	55,697	Charter	Appointed	City Manager
Portola	1,982	General Law	Appointed	
Portola Valley	4,480	General Law	Appointed	City Manager
Poway	48,979	General Law	Appointed	City Manager
Rancho Cordova	67,839	General Law	Appointed	City Manager
Rancho Cucamonga	172,299	General Law	Elected	N/A
Rancho Mirage	17,745	Charter	Appointed	City Council
Rancho Palos Verdes	42,358	General Law	Appointed	City Manager
Rancho Santa Margarita	48,834	General Law	Appointed	City Manager
Red Bluff	14,131	General Law	Elected	N/A
Redding	91,207	General Law	Elected	N/A

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Redlands	69,882	General Law	Elected	N/A
Redondo Beach	67,717	Charter	Elected	N/A
Redwood City	80,768	Charter	Appointed	City Council
Reedley	25,122	General Law	Appointed	City Manager
Rialto	101,429	General Law	Elected	
Richmond	106,138	Charter	Appointed	
Ridgecrest	28,638	General Law	Appointed	
Rio Dell	3,347	General Law	Appointed	
Rio Vista	7,934	General Law	Appointed	City Manager
Ripon	14,855	General Law	Appointed	
Riverbank	23,243	General Law	Appointed	City Manager
Riverside	314,034	Charter	Appointed	City Council
Rocklin	59,672	General Law	Appointed	City Council
Rohnert Park	40,722	General Law	Appointed	City Manager
Rolling Hills	1,895	General Law	Appointed	City Manager
Rolling Hills Estates	8,184	General Law	Appointed	
Rosemead	54,762	General Law	Appointed	City Council
Roseville	126,956	Charter	Appointed	City Manager
Ross	2,461	General Law	Appointed	
Sacramento (Charter Officer)	475,122	Charter	Appointed	City Council
Salinas	155,205	Charter	Appointed	City Manager
San Anselmo	12,514	General Law	Elected	N/A
San Bernardino	212,721	Charter	Elected	
San Bruno	43,223	General Law	Elected - Appointed as of 11/17	
San Buenaventura	108,961	General Law	Appointed	
San Carlos	29,219	General Law	Appointed	City Manager
San Clemente	64,874	General Law	Appointed	
San Diego	1,345,895	Charter	Appointed	
San Dimas	34,072	General Law	Appointed	City Manager
San Fernando	24,222	General Law	Appointed	City Manager
San Francisco	837,442	Charter	Appointed	
San Gabriel	40,313	General Law	Elected	
San Jacinto	45,563	General Law	Appointed	City Manager
San Joaquin	4,056	General Law	Appointed	City Manager

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
San Jose	1,000,536	Charter	Appointed	City Council
San Juan Bautista	1,905	General Law	Elected	
San Juan Capistrano	35,900	General Law	Appointed	City Council
San Leandro	87,691	Charter	Appointed	City Manager
San Luis Obispo	45,473	Charter	Appointed	City Manager
San Marcos	90,179	Charter	Appointed	City Manager
San Marino	13,341	General Law	Appointed	City Manager
San Mateo	100,106	Charter	Appointed	City Manager
San Pablo	29,465	General Law	Elected	
San Rafael	58,566	Charter	Elected	
San Ramon	77,270	Charter	Appointed	City Manager
Sand City	343	Charter	Appointed	
Sanger	24,908	General Law	Appointed	City Manager
Santa Ana	331,953	Charter	Appointed	
Santa Barbara	90,385	Charter	Appointed	Administrative Services Director
Santa Clara	121,229	Charter	Elected	N/A
Santa Clarita	209,130	General Law	Appointed	
Santa Cruz	63,440	General Law	Appointed	
Santa Fe Springs	17,349	General Law	Appointed	City Manager
Santa Maria	101,103	Charter	Elected	
Santa Monica	92,185	Charter	Appointed	City Council
Santa Paula	30,448	General Law	Elected	
Santa Rosa	170,236	Charter	Appointed	City Manager
Santee	55,806	Charter	Appointed	City Council
Saratoga	30,887	General Law	Appointed	
Sausalito	7,175	General Law	Appointed	City Manager
Scotts Valley	11,954	General Law	Appointed	City Manager
Seal Beach	24,591	Charter	Appointed	
Seaside	33,534	General Law	Appointed	
Sebastopol	7,440	General Law	Appointed	City Council
Selma	23,977	General Law	Appointed	City Manager
Shafter	17,461	Charter	Appointed	City Manager
Shasta Lake	10,128	General Law	Appointed	City Manager
Sierra Madre	11,094	General Law	Elected	

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Signal Hill	11,411	Charter	Appointed	
Simi Valley	126,305	General Law	Appointed	
Solana Beach	13,099	General Law	Appointed	City Manager
Soledad	24,997	General Law	Appointed	
Solvang	5,363	Charter	Appointed	
Sonoma	10,801	General Law	Appointed	City Manager
Sonora	4,789	General Law	Appointed	
South El Monte	20,426	General Law	Appointed	
South Gate	96,057	General Law	Elected	
South Lake Tahoe	21,409	General Law	Elected	N/A
South Pasadena	26,011	General Law	Elected	N/A
South San Francisco	65,710	General Law	Appointed	
St Helena	5,943	General Law	Appointed	
Stanton	38,963	General Law	Appointed	
Stockton	300,899	Charter	Appointed	City Council
Suisun City	28,549	General Law	Elected	N/A
Sunnyvale	147,055	Charter	Appointed	Assistant City Manager
Susanville	15,832	General Law	Appointed	City Administrator
Sutter Creek	2,442	General Law	Appointed	
Taft	8,942	General Law	Elected	N/A
Tehachapi	13,346	General Law	Elected	
Tehama	417	General Law	Appointed	
Temecula	106,289	General Law	Appointed	
Temple City	36,134	Charter	Appointed	
Thousand Oaks	129,039	General Law	Appointed	City Manager
Tiburon	9,090	General Law	Appointed	
Torrance	147,706	Charter	Elected	N/A
Tracy	85,146	General Law	Appointed	Assistant City Manager
Trinidad	361	General Law	Appointed	
Truckee	15,981	Charter	Appointed	Town Manager
Tulare	61,857	Charter	Appointed	
Tulelake	1,011	General Law	Appointed	
Turlock	70,132	General Law	Appointed	City Manager
Justin	78,360	General Law	Appointed	

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Twentynine Palms	26,576	General Law	Appointed	
Ukiah	16,185	General Law	Appointed	
Union City	72,155	General Law	Appointed	City Manager
Upland	75,147	General Law	Appointed	
Vacaville	93,613	General Law	Elected	N/A
Vallejo	118,470	Charter	Appointed	City Manager
Ventura		Charter	Appointed	City Manager
Vernon	122	Charter	Appointed	
Victorville	120,590	Charter	Appointed	
Villa Park	5,935	General Law	Appointed	
Visalia	129,582	Charter	Appointed	
Vista	96,122	Charter	Appointed	City Manager
Walnut	30,112	General Law	Appointed	
Walnut Creek	66,183	General Law	Appointed	
Wasco	26,159	General Law	Elected	City Manager
Waterford	8,619	General Law	Appointed	City Manager
Watsonville	52,508	Charter	Appointed	City Council
Weed	2,956	General Law	Appointed	
West Covina	107,828	General Law	Elected	
West Hollywood	35,072	General Law	Appointed	Director HR/Administrator
West Sacramento	50,836	General Law	Appointed	
Westlake Village	8,386	General Law	Appointed	City Manager
Westminster	91,652	General Law	Appointed	City Manager
Westmorland	2,301	General Law	Elected	
Wheatland	3,495	General Law	Appointed	City Manager
Whittier (Clerk/Treasurer)	86,538	Charter	Appointed	City Manager
Wildomar	33,718	General Law	Appointed	City Manager
Williams	5,363	General Law	Appointed	
Willits	4,937	General Law	Appointed	
Willows	6,154	General Law	Appointed	
Windsor	27,104	General Law	Appointed	Town Manager
Winters	6,979	General Law	Elected	N/A
Woodlake	7,711	Charter	Appointed	
Woodland	57,223	General Law	Appointed	City Manager

City	Population	General Law or Charter	Appointed or Elected City Clerk	If Appointed, Who Does City Clerk report to?
Woodside	5,496	General Law	Appointed	Town Manager
Yorba Linda	67,069	General Law	Appointed	
Yountville	3,017	General Law	Appointed	City Manager
Yreka	7,840	General Law	Appointed	
Yuba City	65,677	General Law	Appointed	
Yucaipa	52,654	General Law	Appointed	
Yucca Valley	21,053	General Law	Appointed	

**Supplemental to [Municipal Matters Item 6\(a\)](#) , Regular City  
Council Meeting of January 22, 2019.**

**Re: November, 2019 Ballot Measure(s) consideration.**

Tuesday, January 22, 2019

Re: November 2019 Municipal Election Ballot Measure(s)

Hermosa Beach City Council,

When considering and giving direction for a ballot measure re: the City Clerk's position, it would also be a most-excellent time, long overdue, to on 'Other Matters City Council', additionally give direction to bring forth for such future ballot measure(s) consideration, a two contiguous terms-limit ballot measure for elected offices in city.

This could be two contiguous terms commencing with terms elected in November 2019, which theoretically would allow any present member of the council to also serve two additional terms beyond their present term. Virtually every city in the South Bay has two-term limits, and has for many years.

In my view this makes for better, more responsive/inclusive governance in many ways.

Such measure is best placed on the ballot by a city council and with that city council's full and honorable support.

Thank you.

Howard Longacre, Resident.

**[Municipal Matters Item 6\(a\)](#)**





## Staff Report

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### Staff Report

REPORT 18-0749

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2018**

**APPROVAL OF FOURTH AMENDMENT TO  
THE CHAMBER OF COMMERCE WEDNESDAY FARMERS'  
MARKET AGREEMENT INCLUDING TERM EXTENSION AND  
LANGUAGE UPDATES REGARDING MARKET VENDORS**

***(Continued from meeting of December 11, 2018)***

**(Community Resources Manager Kelly Orta)**

### **Recommended Action:**

Staff recommends that the City Council approve the fourth amendment to the Chamber of Commerce Wednesday Farmers' Market agreement, including the following changes:

1. Term extension to June 16, 2020; and
2. Updated vendor language to include clear guidelines on the composition of permitted vendors.

### **Executive Summary:**

In September 2015, the City approved the addition of a Farmers' Market on Wednesdays to be held on Pier Plaza, overseen by the Chamber of Commerce. Since commencement of the market, daytime patronage to the downtown area has visibly increased, which was one of the primary goals of the market. During the first two years of the market, there were concerns among City Councilmembers and staff related to the vendor mix, as the number of farm fresh goods and produce vendors was not as high as initially anticipated. Through a series of discussions and work on the part of staff, the Chamber of Commerce, and market producer Mark Anderson, the number of commercial vendors has been gradually reduced, allowing for greater emphasis on farm fresh and handmade goods; artisans; and hot and cold food vendors.

Currently, the market agreement between the City and Chamber of Commerce is set to expire on February 27, 2019, and staff, along with Chamber representatives, desire to extend the agreement to align with the Chamber's separate agreement with market producer Mark Anderson. Further, staff recommends additional language be added to the vendor composition section of the agreement in order to provide a controlled level of flexibility in the vendor mix that is consistent with the positive changes made throughout the past few years while allowing the market to be increasingly successful in a highly competitive market.

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## Staff Report

REPORT 18-0749

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### **Background:**

In September 2015, the City Council approved an agreement with the Chamber of Commerce to produce a weekly Farmers' Market each Wednesday on Pier Plaza in an effort to increase daytime foot traffic and patronage of local businesses in the downtown area. This market was in addition to the longstanding market held at Clark Stadium each Friday. The Chamber of Commerce contracted with Mark Anderson of "Farmer Mark", a local company that oversees and manages a number of farmers' markets throughout Southern California, to produce this new market. Since then, the City Council has extended the agreement annually and has approved minor adjustments to various aspects of the market, including:

- March 2016 - approval to include a trackless train and acoustic music as part of the approved footprint
- December 2016 - market hours adjusted from 11:00am-4:00pm to 1:00-6:00pm

The current agreement with the Chamber of Commerce (**Attachment 2**) is scheduled to expire on February 27, 2019. The City Council authorized an additional two-month extension to the agreement at its December 11, 2018 regular meeting. At that meeting, the agenda included consideration of a proposed fourth amendment to the agreement. Staff requested that this item be continued to a subsequent meeting to allow additional time to further clarify and define the proposed language regarding the composition of market vendors.

### **Discussion:**

#### **Market Information**

The Wednesday market takes place along the entirety of Pier Plaza as well as Parking Lot B, which is dedicated for vendor parking. Use of this lot is charged directly to Anderson in the amount of \$202.50 weekly. The inclusion of the trackless train for children, which drives down the center of the Plaza, and the live ambient music has contributed to a slight increase in the number of visitors and local families attending these events. From the City's perspective, this was a simple addition to the market, in both planning and implementation, to increase its success.

As previously noted, the market was initially held between the hours of 11:00am-4:00pm but was adjusted to 1:00-6:00pm, by request of the Chamber of Commerce, at the City Council's December 12, 2016 regular meeting. This change was made in an effort to increase visitors to the market as this allowed the opportunity for some to attend after normal working hours, which was not possible with the original market hours. This change has helped to further increase overall patronage at a time when the Pier Plaza and downtown area are typically not as busy.

#### **Vendors**

The market has been through several reviews and updates to ensure it is compliant with the City's

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## Staff Report

REPORT 18-0749

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agreement as well as representative of the kind of market that the community desires. Throughout these reviews, the Council's main concern has been the mix and variety of vendors, and the presence of commercial booths over produce and fresh food vendors, which continues to be the preference. Since the first formal review of the market in 2016, staff and the City Manager's office have worked with Chamber representatives to make the appropriate adjustments to the variety of participating vendors and to eliminate non-conforming commercial booths. As a result, improvements have been made to the market's general layout, the display of signage, and vendor mix consistent with direction from the City Council. Additionally, the Chamber's leadership continues to reaffirm its commitment to ensuring ongoing oversight of the market so that access to existing businesses on Pier Plaza would not be obstructed, and that the specific products sold would not be in competition with those being sold by brick and mortar stores on Pier Plaza.

### Agreement Updates

As previously stated, the City's agreement for the market is with the Chamber of Commerce only, as the Chamber of Commerce holds an entirely separate agreement with Mark Anderson for production of the market. Both agreements were done independently of one another and, therefore, are not perfectly aligned in their terms or conditions. This has made it difficult for both organizations to ensure compliance with City requirements and provide a clear set of expectations related to general oversight and implementation of the market. In an effort to align these two agreements while also remaining focused on the improvements made to the vendor mix over the past few years, staff recommends approval of a term extension as well as additional language added to the vendor mix requirements in the existing agreement. The fourth amendment, reflective of the following recommended changes, is included as **Attachment 2**.

#### Term Extension

Historically, the City Council has approved the extension of the market agreement for one-year terms, specifically to provide regular check-ins on the progress of the desired vendor mix and to ensure compliance with the agreement. Extension of the term to the recommended June 16, 2020 provides alignment with the current term of the Chamber's Agreement with Anderson. Staff have been pleased with the changes Anderson and his team have made with regard to the types of vendors showcased in the market and are confident that these changes will continue through an extended term of approximately 16 months.

#### Vendor Language

Currently, the vendor requirements in the City's agreement state:

The EVENT shall consist of vendor booths selling fruits, vegetables and handmade goods produced by area farms.

Unfortunately, the current language does not provide enough flexibility to Anderson and his team to

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## Staff Report

REPORT 18-0749

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build upon the success of the market in a competitive arena where there are several markets in the immediate region (including another market hosted in Hermosa Beach on Friday afternoons at Clark Field). Further, successful markets include handmade or commercial goods to provide a variety of options and experiences for market visitors - not all of which are restricted to production at area farms. Therefore, to provide a controlled level of flexibility while also aligning the vendor requirements across the two agreements, staff recommends the following language to replace the final sentence in Section I:

The EVENT shall consist of vendor booths with a market composition of:

- a. Seventy percent (70%) of vendors that are farmers as well as purveyors of prepackaged food. The market shall maintain a minimum of 6 farmers at all times with exceptions for inclement weather and natural disasters; and
- b. Thirty percent (30%) of vendors shall provide hot food and meals as well as artisans.

Farmers shall be considered California producers of fresh fruit, nuts, vegetables, flowers, honey, eggs, nursery stock, plants and livestock products including fish and shellfish produced under controlled conditions in waters or ponds located in California. In cases where the market composition is not achievable due to inclement weather or natural disasters, the Event Producer shall make a good faith effort to adhere to them as much as possible.

Should the vendor composition of the market be out of compliance and, in those cases, not associated with inclement weather or a natural disaster, the Event Producer will have 30-days to rectify to the satisfaction of the City. Failure to do so will result in termination of this Agreement.

These added guidelines are consistent with the number and type of vendors currently at the market on a regular basis and are reflective of the work Anderson and his team have done to provide the vendor mix desired by the City. Further, this language provides the needed flexibility to successfully manage the market throughout the seasonal fluctuations of fresh products and farmers. Considering past concerns regarding the desired presence of farm products, the additional language addressing the daily requirement for a minimum of six (6) farmer booths provides a level of comfort that their presence is guaranteed barring extreme weather conditions or natural disasters. As previously stated, staff has been satisfied with the response to and attention made to the selection of the vendors participating in the market over the past several years and are confident that these will remain throughout the term of the agreement.

Lastly, the additional language clearly defining what “farmers” includes is advantageous as it sets clear expectations while ensuring that farm fresh products can include a variety of offerings that may appeal to larger audiences.

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## Staff Report

REPORT 18-0749

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**Attachment 3** includes a presentation by Mark Anderson that further outlines the composition and current statistics related to the market.

### **General Plan Consistency:**

This report and associated recommendations have been evaluated for their consistency with the City's General Plan. Relevant policies are listed below:

- Governance Goal 5. Small beach town character is reflected throughout Hermosa Beach.
  - 5.7 - Visitor and resident balance. Recognize the desire and need to balance visitor-serving and local-serving uses as a key to preserving character and the economic vitality of the community.
- Governance Goal 6. A broad-based and long-term economic development strategy for Hermosa Beach that supports existing businesses while attracting new business and tourism.
  - 6.6 - Pop-up Shops. Develop plans and programs for underutilized spaces, such as vacant buildings, utility corridors, parkways, etc., for temporary retail, restaurant, and community-promoting uses.
- Parks & Open Space Goal 3. Community Parks and facilities encourage social activity and interaction.
  - 3.2 - Social and cultural events. Design and program parks and open space to accommodate unique social and cultural events to foster connectedness and interaction.
  - 3.5 - Health and physical activity. Increase the availability of space and variety of activities that promote community health and physical activity such as community gardens, fitness stations/equipment, and fields/courts.

### **Fiscal Implications:**

The City collects \$202.50 in weekly parking fees for use of lot B, utilized for vendor parking, in addition to any direct costs as deemed necessary.

### **Attachments:**

1. Current Wednesday Farmers' Market Agreement and Extension Letters
2. Fourth Amendment to the Farmers' Market Agreement
3. Mark Anderson presentation

**Respectfully Submitted by:** Kelly Orta, Community Resources Manager

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, City Manager

**AGREEMENT BETWEEN THE CITY OF HERMOSA BEACH  
AND HERMOSA BEACH CHAMBER OF COMMERCE AND VISITORS' BUREAU FOR FARMERS'  
MARKET ON LOWER PIER AVENUE**

This Farmers' Market Agreement ("Agreement") is made the 8 day of Sept, 2015 by and between the City of Hermosa Beach (hereinafter called "CITY") and Hermosa Beach Chamber of Commerce and Visitors' Bureau ("EVENT PRODUCER").

**RECITALS**

A. EVENT PRODUCER desires to organize, coordinate, produce and oversee a weekly Farmers' Market located at Lower Pier Plaza on Wednesday of each week of the year between the times of 11:00 a.m. and 4:00 p.m. (the "Event").

B. EVENT PRODUCER desires a commitment from the CITY to use the City-owned property described above for the Event.

C. CITY is willing to make its property available for the EVENT for the benefit of its residents and to promote economic development in downtown Hermosa Beach.

**NOW, THEREFORE**, in consideration of the foregoing, the parties agree as follows:

**I. THE EVENT.**

During the term of this Agreement, CITY authorizes EVENT PRODUCER to coordinate production of the Event on the portion of Lower Pier Plaza described in Exhibit A and incorporated herein by reference ("the license area"). The EVENT shall consist of vendor booths selling fruits, vegetables and handmade goods produced by area farms.

**II. TERM OF AGREEMENT.**

This Agreement shall take effect upon execution of this Agreement. The EVENT may be produced each Wednesday commencing September 16, 2015 through September 15, 2016 as a pilot program.

**III. EVENT PRODUCER RESPONSIBILITIES.**

**General Obligations**

a.) EVENT PRODUCER shall engage the services of Farmer Mark, or equivalent producer subject to City's approval, to manage the EVENT, including coordination of set up/tear down between the hours of 10:00 AM and 5:00 PM on each EVENT day, managing the vendors, assuring that vendors remove their trash and that the license area is clean and free of equipment, waste or debris at the conclusion of the EVENT. A designated EVENT PRODUCER representative shall remain on-site during the entire Event. EVENT PRODUCER shall manage the placement of booths and shall have the authority to remove unauthorized booths, furniture and other objects that interfere with the conduct of the EVENT. EVENT PRODUCER shall be solely responsible for rectifying any outstanding "clean-up" deficiency as may be determined in the sole discretion of the CITY.

b.) EVENT PRODUCER shall provide all necessary funds, staff, equipment, and materials necessary to adequately promote the EVENT at no expense to CITY.

c.) EVENT PRODUCER shall provide a designated representative to consult as necessary with the Community Resources Director or CITY designee regarding all facets of the EVENT.

d. ) EVENT PRODUCER shall meet with the City's Chief of Police, or Police Personnel, as assigned by the Chief of Police, not later than one week prior to the first day of the EVENT to evaluate and assure appropriate security for the EVENT.

e. ) EVENT PRODUCER shall provide adequate access to the EVENT for people with disabilities in a manner that is satisfactory to the CITY and keep all pedestrian aisles and pathways clear and unobstructed.

f. ) EVENT PRODUCER shall be responsible for securing any and all necessary permits, as determined by the CITY.

g. ) EVENT PRODUCER shall prohibit the sale of alcoholic and tobacco products at the EVENT.

h. ) CHAMBER has read, understands and accepts responsibility for ensuring implementation of the City's food packaging prohibitions in Section 8.64.030 of the Municipal Code, which reads as follows:

8.64.030(C). No Person shall use or distribute Polystyrene Food Service Ware at City-sponsored events, City-managed concessions and City meetings open to the public. This subsection shall apply to the function organizers, agents of the organizers, City Contractors, Food Providers and any other Person that enters into an agreement with one or more of the function sponsors to sell or distribute Prepared Food or otherwise provide a service related to the function.

Biodegradable food service containers shall be used by vendors.

i.) Vendors shall be prohibited from using plastic bags to deliver, provide or hand merchandise to customers.

j.) EVENT PRODUCER shall be responsible for removal of the temporary "No Parking" signs in lot B by 5:00 p.m. each day following the close of the market.

k.) EVENT PRODUCER shall arrange to cover the ground beneath each vendor booth in a manner satisfactory to CITY in order to protect the ground surface material.

### **Financial Obligations**

h.) Prior to execution of this Agreement, EVENT PRODUCER shall render payment for outstanding financial obligations owed to CITY, if any, including but not limited to the payment of money, fines and/or taxes related to past events.

i. ) EVENT PRODUCER shall render payment of CITY's estimated direct costs 14 days in advance of the first Event date.

j. ) Payment for actual CITY costs, as itemized and billed by the CITY upon completion of the Event, shall be due upon receipt.

k. ) EVENT PRODUCER shall be responsible for any costs associated with adequate trash removal and/or "clean-up" deficiency work.

l. ) All parking expenses shall be paid by EVENT PRODUCER.

m. ) All costs related to CITY services or personnel required for the Event shall be paid by EVENT PRODUCER.

n.) If applicable and upon approval by the CITY, EVENT PRODUCER shall be responsible for a fee of \$250 per Event co-sponsor.

#### **IV. CITY RESPONSIBILITIES.**

a.) CITY shall permit EVENT PRODUCER to conduct the EVENT as described in section I.

b.) CITY shall provide a designated staff person to oversee and monitor the total operation of the EVENT especially in all matters pertaining to Event liability and public safety. Said CITY designee shall consult with a designated representative of the EVENT PRODUCER and it shall be the goal of the parties to reach mutual agreement on matters of Event operation.

c.) CITY shall provide to the EVENT PRODUCER any CITY services required for the Event (e.g., police, fire, building inspection, etc.) as deemed necessary by the respective CITY Chief or Department Head.

d.) CITY shall coordinate the necessary CITY permits, as approved by the City Council.

e.) CITY shall make any necessary contacts on behalf of the Event with the Los Angeles County Department of Beaches and Harbors.

f.) CITY shall make all parking spaces available in Lot B for use by vendors from 9:00 a.m. to 6:00 p.m. at a rate of \$0.625 per space, per hour. CITY shall post temporary "No Parking" signs 72 hours in advance of each week's EVENT until permanent signs are installed.

#### **V. CITY'S RESERVATION OF RIGHTS.**

a.) CITY reserves the right to determine limits on the use of any and all EVENT equipment as it pertains to compliance with CITY ordinances and shall enforce ordinances and penalties related thereto and to address violations or take action where it determines, in its sole discretion, that such action is required to ensure the protection of public health and safety.

b.) CITY reserves the right to deem decisions of the CITY designee to be final with respect to any issues that involve compliance with the Agreement or aspects of the EVENT that may adversely impact the community.

c.) CITY reserves the right to suspend or terminate this Agreement or the EVENT in accordance with section XIII.

#### **VI. INSURANCE.**

a.) EVENT PRODUCER shall by September 1, 2015 provide CITY a Certificate of Insurance providing personal injury and property damage liability insurance naming CITY, the County of Los Angeles, its officers, employees and agents as additional insured with a minimum of **\$2 million combined single limit coverage**. Insurance is to be placed with insurers with a current AM Best's rating of no less than A:VII. Said insurance shall not be canceled or altered without 30 days notice in writing to CITY and County.

b.) EVENT PRODUCER shall be primarily responsible for any and all liability resulting or arising from the performance of the Agreement and CITY and County and their insurers shall not be required to contribute.

c.) For insurance purposes, the Event area shall be defined to include any and all areas occupied or affected by the EVENT.

#### **VII. ADVERTISING.**



a.) All signs, props, product facsimiles, etc. desired by EVENT PRODUCER to identify the Event, shall be approved as to location and content by CITY. CITY will not unnecessarily deny said approval and will not curtail certain constitutional rights of EVENT PRODUCER.

#### **VIII. INDEPENDENT CONTRACTOR.**

a.) CITY and EVENT PRODUCER shall each be and act as independent contractors and under no circumstances shall this agreement be construed as one of agency or partnership between CITY and EVENT PRODUCER. Each party acknowledges and agrees that it neither has nor will give the appearance or impression of having any legal authority to bind or commit the other party in any way other than as authorized by this Agreement. Nothing in this Agreement shall be construed to create a joint venture between the parties hereto or to obligate either party for debts or obligations incurred by the other party in the performance of this Agreement.

#### **X. COMPLIANCE WITH THE LAW.**

a.) Should it be determined that this Agreement or any provision hereof violates any federal, state, or local law or regulation, then the parties shall promptly modify this Agreement to the extent necessary to bring about compliance with such law and/or regulation; provided, however, that if such modification would cause this Agreement to fail in its essential purpose or purposes, it shall be deemed cancelled by mutual agreement of the parties and neither party shall have any further obligations or liabilities with respect to this Agreement.

#### **XI. ENTIRE AGREEMENT.**

a.) This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes any and all prior understandings or agreements in regard hereto. This Agreement cannot be altered or modified except by an agreement in writing signed by both parties.

#### **XII. HOLD HARMLESS.**

a.) EVENT PRODUCER shall be responsible for all injuries to or death of any person, and for all damage to all real or personal property including CITY's or others, caused by or resulting from any acts, errors or omission of EVENT PRODUCER, its employees or its agents arising out of or connected with the EVENT. EVENT PRODUCER shall defend, hold harmless and indemnify CITY and its officers and employees from any and all liability claims, including CITY's attorney fees, expert fees and court costs, for damages to real or personal property, or personal injury or death, resulting from EVENT PRODUCER, its employees or agent's acts, errors or omissions arising out of or connected with the EVENT.

#### **XIII. SUSPENSION AND TERMINATION.**

a.) CITY may terminate this Agreement at any time, with or without cause, in its sole discretion, upon thirty (30) days' written notice to EVENT PRODUCER. . City reserves the right to terminate the Agreement for any reason including, but not limited to, EVENT PRODUCER's failure to comply with the Agreement or other City, state, or federal permits, laws or regulations. City reserves the right to terminate the Agreement at any time the City determines the EVENT is not in the best interest of the City, its Departments, or the EVENT participants, or where the EVENT would create a dangerous condition or threat to human health or safety.

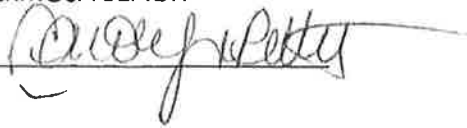
b.) Upon commencement of the EVENT, the CITY may temporarily suspend or terminate the EVENT at any time, with or without cause, in its sole discretion, for any reason including, but not limited to, EVENT PRODUCER's failure to comply with the Agreement or other City, state, or federal permits, laws or regulations. City reserves the right to temporarily suspend or terminate the EVENT at any time the City determines the EVENT is not in the best interest of the

City, its Departments, or the EVENT participants, or where continuation of the EVENT would create a dangerous condition or threat to human health or safety.

c.) EVENT PRODUCER may terminate this Agreement at any time, with or without cause, in its sole discretion, upon written notice to CITY.

CITY OF HERMOSA BEACH

Mayor

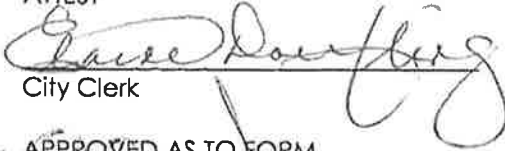


Date

9-14-15

ATTEST

City Clerk

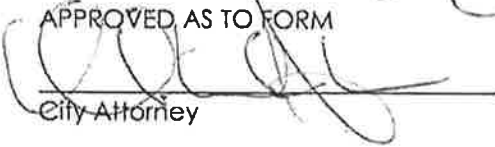


Date

9/14/15

APPROVED AS TO FORM

City Attorney



Date

9/24/15

DEPARTMENT OF COMMUNITY RESOURCES

Director

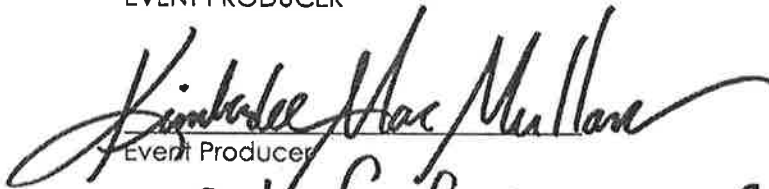


Date

9/8/2015

EVENT PRODUCER

Event Producer



Date

9/8/15

on Behalf of Hermosa Beach Chamber  
of Commerce and Visitors Bureau



**Exhibit A**

## FIRST AMENDMENT TO FARMERS' MARKET AGREEMENT

This First Amendment to Farmers' Market Agreement ("First Amendment") is entered into by and between the City of Hermosa Beach, a municipal corporation ("City") and the Hermosa Beach Chamber of Commerce and Visitors' Bureau ("Event Producer") as of

*May* ~~April~~ 31, 2016.

### RECITALS

- A. City and Event Producer are parties to that Farmers' Market Agreement dated September 8, 2015 (the "Agreement") pursuant to which City authorized Event Producer to organize, coordinate, produce and oversee a weekly Farmers' Market located at Lower Pier Plaza on Wednesday of each week of the year between the times of 11:00 a.m. and 4:00 p.m. (the "Event").
- B. Event Producer has requested an amendment to the Agreement in order to allow it to provide additional amenities at the Farmers' Market and City is willing to authorize it to do so subject to the conditions set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing, the Agreement is amended as follows:

1. Section I of the Agreement entitled "The Event" is amended to read as follows:

During the term of this Agreement, CITY authorizes EVENT PRODUCER to coordinate production of the Event on the portion of Lower Pier Plaza described in Exhibit A and incorporated herein by reference ("the license area"). The EVENT shall consist of vendor booths selling fruits, vegetables and handmade goods produced by area farms. The EVENT may also consist of the following:

- a.) A children's trackless train (as depicted in the image attached hereto as Exhibit B and incorporated herein by reference and limited to the route shown in Exhibit C attached hereto and incorporated herein by reference) during the market hours (11:00 a.m. – 4:00 p.m.). If the train is gas powered, the train shall not be refueled on the Plaza and if it is parked for any period of time on the Plaza, a drip pan must be placed under the engine.
- b.) Acoustic or amplified music during market hours (11:00 a.m. – 4:00 p.m.) at the location on the Plaza shown on the market diagram attached hereto as Exhibit C. No stage is permitted without specific authorization by the City Manager and no generator may be used without permission from the Fire Department.

Except as above modified, in all other respects the Agreement is hereby reaffirmed in full force and effect.

HERMOSA BEACH CHAMBER OF  
COMMERCE AND VISITORS' BUREAU

  
PRESIDENT

CITY OF HERMOSA BEACH

By   
CITY MANAGER

ATTEST:

  
CITY CLERK





EXHIBIT B



EXHIBIT C



## SECOND AMENDMENT TO FARMERS' MARKET AGREEMENT

This Second Amendment to Farmers' Market Agreement ("Second Amendment") is entered into by and between the City of Hermosa Beach, a municipal corporation ("City") and the Hermosa Beach Chamber of Commerce and Visitors' Bureau ("Event Producer") as of \_\_\_\_\_, 2017.

### RECITALS

- A. City and Event Producer are parties to that Farmers' Market Agreement dated September 8, 2015 (the "Agreement") pursuant to which City authorized Event Producer to organize, coordinate, produce and oversee a weekly Farmers' Market located at Lower Pier Plaza on Wednesday of each week of the year between the times of 11:00 a.m. and 4:00 p.m. (the "Event").
- B. The City Manager authorized a 3-month extension to the term of the initial agreement to allow the market to continue, under the same terms, through December 28, 2016. This authorization is attached hereto as Exhibit A.
- C. Event Producer has requested a 12-month extension from the original date of execution to allow the market to continue through September 13, 2017 with approval for adjusted market times of 1:00 – 6:00pm. .

**NOW, THEREFORE**, in consideration of the foregoing, the Agreement is amended as follows:

1. Section I of the Agreement entitled "The Event" is amended to read as follows:

During the term of this Agreement, CITY authorizes EVENT PRODUCER to coordinate production of the Event on the portion of Lower Pier Plaza described in Exhibit B and incorporated herein by reference ("the license area"). The EVENT shall consist of vendor booths selling fruits, vegetables and handmade goods produced by area farms. The EVENT may also consist of the following:

- a.) A children's trackless train (as depicted in the image attached hereto as Exhibit C and incorporated herein by reference and limited to the route shown in Exhibit D attached hereto and incorporated herein by reference during the market hours (1:00 – 6:00 p.m.). If the train is gas powered, the train shall not be refueled on the Plaza and if it is parked for any period of time on the Plaza, a drip pan must be placed under the engine.
- b.) Acoustic or amplified music during market hours (1:00. – 6:00 p.m.) at the location on the Plaza shown on the market diagram attached hereto as Exhibit B. No stage is permitted without specific authorization by the City Manager and no generator may be used without permission from the Fire Department.

2. Section II of the Agreement entitled "Term of Agreement" is amended to read as follows:

The Agreement shall take effect upon execution of this Agreement. The EVENT may be produced each Wednesday commencing January 4, 2017 through September 13, 2017.

3. Subsection IV(f) of the Agreement is amended to read as follows:

CITY shall make all parking spaces available in Lot B for use by vendors from 9:00 a.m. to 6:00 p.m. at a rate of \$0.625 per space, per hour, except for the marked disabled parking spaces, which shall remain available for use by eligible motorists. CITY shall post temporary "No Parking" signs 72 hours in advance of each week's EVENT until permanent signs are installed.

Except as above modified, in all other respects the Agreement is hereby reaffirmed in full force and effect.

HERMOSA BEACH CHAMBER OF  
COMMERCE AND VISITORS' BUREAU

\_\_\_\_\_  
PRESIDENT

CITY OF HERMOSA BEACH

By \_\_\_\_\_  
CITY MANAGER

ATTEST:

\_\_\_\_\_  
CITY CLERK

EXHIBIT A



## City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, California 90254-3885

September 20, 2016

Kimberlee MacMullan, President/CEO  
Hermosa Beach Chamber of Commerce  
1007 Hermosa Ave.  
Hermosa Beach, CA 90254

Dear Kimberlee MacMullan:

This letter agreement serves to extend the term of the Farmers' Market Agreement dated September 8, 2015 by and between the City and the Chamber of Commerce to December 28, 2016. Please sign below your agreement to this extension and return an executed copy of this letter to me at your earliest convenience.

Very Truly Yours,

A blue ink signature of Tom Bakaly, written in a stylized, cursive script.




Tom Bakaly  
City Manager

On behalf of the Chamber of Commerce, I agree to the foregoing and represent that I have the authority to enter into this agreement.

A black ink signature of Kimberlee MacMullan, written in a cursive script.

Kimberlee MacMullan, President/CEO  
Hermosa Beach Chamber of Commerce

## EXHIBIT B

-  Music
-  Vendors
-  Train



## EXHIBIT C





# City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, CA 90254-3885

August 7, 2017

Kimberlee MacMullan, President/CEO  
Hermosa Beach Chamber of Commerce  
1007 Hermosa Ave.  
Hermosa Beach, CA 90254

Dear Ms. MacMullan:

This letter agreement serves to extend the term of the Farmers' Market Agreement dated March 15, 2017 by and between the City and the Chamber of Commerce to December 27, 2017. The extension will provide us with time to review the existing contract and determine next steps in providing this service to the community. Please sign below your agreement to this extension and return an executed copy of this letter to me at your earliest convenience.

Very Truly Yours,

Sergio Gonzalez  
City Manager

On behalf of the Chamber of Commerce, I agree to the foregoing and represent that I have the authority to enter into this agreement.

Kimberlee MacMullan, President/CEO  
Hermosa Beach Chamber of Commerce



# City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, California 90254-3885

November 27, 2017

Maureen Hunt, Interim President/CEO  
Hermosa Beach Chamber of Commerce  
1007 Hermosa Ave.  
Hermosa Beach, CA 90254

Dear Maureen:

This letter of agreement serves to extend the term of the Farmers' Market Agreement dated March 15, 2017 by and between the City and the Chamber of Commerce, through December 27, 2017, to continue on a month to month basis. This will provide us with time to review the existing contract and determine next steps in providing this service to the community. Any modification to this agreement will require 30 days written notice. Please sign below your agreement to this extension and return an executed copy of this letter to me at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Gonzalez'.

Sergio Gonzalez  
City Manager

On behalf of the Chamber of Commerce, I agree to the foregoing and represent that I have the authority to enter into this agreement.

A handwritten signature in black ink, appearing to read 'Maureen Hunt'.

Maureen Hunt, Interim President/CEO  
Hermosa Beach Chamber of Commerce

### THIRD AMENDMENT TO FARMERS' MARKET AGREEMENT

This Third Amendment to Farmers' Market Agreement ("Third Amendment") is entered into by and between the City of Hermosa Beach, a municipal corporation ("City") and the Hermosa Beach Chamber of Commerce and Visitors' Bureau ("Event Producer") as of March 28, 2016.

#### RECITALS

- A. City and Event Producer are parties to that Farmers' Market Agreement dated September 8, 2015 (the "Agreement") as amended by a First Amendment dated May 31, 2016 and a Second Amended dated March 15, 2017, pursuant to which City authorized Event Producer to organize, coordinate, produce and oversee a weekly Farmers' Market located at Lower Pier Plaza on Wednesday of each week of the year between the times of 1:00 p.m. and 6:00 p.m. (the "Event").
- B. The City Manager has authorized two extensions to the term of the initial agreement to allow the market to continue under the same terms, the first for 3 months (September 14, 2017 – December 27, 2017) and the second beginning January, 2018 on a month-to-month basis.
- C. The parties have agreed to a further 6-month extension from March 28, 2018 to allow the market to continue through September 27, 2018 in order to allow the parties time to further negotiate the terms under which the market may continue beyond that date.

**NOW, THEREFORE**, in consideration of the foregoing, the Agreement is amended as follows:

- 1. Section II of the Agreement entitled "Term of Agreement" is amended to read as follows:

The Agreement shall take effect upon execution of this Agreement. The EVENT may be produced each Wednesday from March 28, 2018 through September 27, 2018.

Except as above modified, in all other respects the Agreement is hereby reaffirmed in full force and effect.

HERMOSA BEACH CHAMBER OF  
COMMERCE AND VISITORS' BUREAU

  
PRESIDENT



CITY OF HERMOSA BEACH

By   
CITY MANAGER

ATTEST:

  
CITY CLERK



# City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, CA 90254-3885

September 27, 2018

Maureen Hunt, President/CEO  
Hermosa Beach Chamber of Commerce  
1007 Hermosa Ave.  
Hermosa Beach, CA 90254

Dear Ms. Hunt:

This letter agreement serves to extend the term of the Farmers' Market Agreement dated March 28, 2018 by and between the City and the Chamber of Commerce to December 26, 2018, unless an alternate action is taken by the City Council through formal action at a scheduled meeting. The extension will provide us with the additional time necessary to further negotiate the terms under which the market may continue. Please sign below your agreement to this extension and return an executed copy of this letter to me at your earliest convenience.

Warmly,

A handwritten signature in blue ink, appearing to read 'Suja'.

Suja Lowenthal  
City Manager

On behalf of the Chamber of Commerce, I agree to the foregoing and represent that I have the authority to enter into this agreement.

A handwritten signature in black ink, appearing to read 'Maureen Hunt'.

Maureen Hunt, President/CEO  
Hermosa Beach Chamber of Commerce



December 13, 2018

Maureen Hunt, President/CEO  
Hermosa Beach Chamber of Commerce  
1007 Hermosa Avenue  
Hermosa Beach, CA 90254

Dear Ms. Hunt:

This letter agreement serves to extend the term of the Farmers' Market Agreement, dated September 27, 2018 by and between the City and the Chamber of Commerce to February 27, 2019, unless an alternate action is taken by the City Council through formal action at a scheduled meeting. The extension will provide us with the additional time necessary to further negotiate the terms under which the market may continue. Please sign below your agreement to this extension and return an executed copy of this letter to me at your earliest convenience.

Warmly,

A handwritten signature in blue ink, appearing to read 'Suja'.

Suja Lowenthal  
City Manager

On behalf of the Chamber of Commerce, I agree to the foregoing and represent that I have the authority to enter into this agreement.

A handwritten signature in blue ink, appearing to read 'Maureen Hunt'.

Maureen Hunt, President/CEO  
Hermosa Beach Chamber of Commerce

## **FOURTH AMENDMENT TO FARMERS' MARKET AGREEMENT**

This Fourth Amendment to Farmers' Market Agreement ("Fourth Amendment") is entered into by and between the City of Hermosa Beach, a municipal corporation ("City") and the Hermosa Beach Chamber of Commerce and Visitors' Bureau ("Event Producer") as of January 22, 2019.

### **RECITALS**

- A. City and Event Producer are parties to that Farmers' Market Agreement dated September 8, 2015 (the "Agreement") as amended by a First Amendment dated May 31, 2016 and a Second Amended dated March 15, 2017, pursuant to which City authorized Event Producer to organize, coordinate, produce and oversee a weekly Farmers' Market located at Lower Pier Plaza on Wednesday of each week of the year between the times of 1:00 p.m. and 6:00 p.m. (the "Event").
- B. The City Manager has authorized two extensions to the term of the initial agreement to allow the market to continue under the same terms, the first for 3 months (September 14, 2017 – December 27, 2017) and the second beginning January, 2018 on a month-to-month basis.
- C. The parties have agreed to a Third Amendment, providing a 6-month extension from March 28, 2018 to allow the market to continue through September 27, 2018 in order to allow the parties time to further negotiate the terms under which the market may continue beyond that date.
- D. The City Manager has authorized an extension to the term for 3 months (September 27, 2018 – December 26, 2018).
- E. The City Council has authorized an additional extension to the term for 2 months (January 2, 2019 – February 27, 2019).

**NOW, THEREFORE**, in consideration of the foregoing, the Agreement is amended as follows:

- 1. Section I of the Agreement entitled "The Event" is amended to read as follows:

During the term of this Agreement, CITY authorizes EVENT PRODUCER to coordinate production of the Event on the portion of Lower Pier Plaza described in Exhibit A and incorporated herein by reference ("the license area"). The EVENT shall consist of vendor booths with a market composition of:

- a. Seventy percent (70%) of vendors that are farmers as well as purveyors of prepackaged food. The market shall maintain a minimum of 6 farmers at all times with exceptions for inclement weather and natural disasters; and

- b. Thirty percent (30%) of vendors shall provide hot food and meals as well as artisans.

Farmers shall be considered California producers of fresh fruit, nuts, vegetables, flowers, honey, eggs, nursery stock, plants and livestock products including fish and shellfish produced under controlled conditions in waters or ponds located in California.

In cases where the market composition is not achievable due to inclement weather or natural disasters, the Event Producer shall make a good faith effort to adhere to them as much as possible.

Should the vendor composition of the market be out of compliance and, in those cases, not associated with inclement weather or a natural disaster, the Event Producer will have 30-days to rectify to the satisfaction of the City. Failure to do so will result in termination of this Agreement.

2. Section II of the Agreement entitled "Term of Agreement" is amended to read as follows:

The Agreement shall take effect upon execution of this Agreement. The EVENT may be produced each Wednesday from January 2, 2019 through June 16, 2020.

Except as above modified, in all other respects the Agreement is hereby reaffirmed in full force and effect.

HERMOSA BEACH CHAMBER OF  
COMMERCE AND VISITORS' BUREAU

\_\_\_\_\_  
PRESIDENT

CITY OF HERMOSA BEACH

By \_\_\_\_\_  
CITY MANAGER

ATTEST:

\_\_\_\_\_  
CITY CLERK





Pier Plaza  
Wed 1-6PM



# Market Performance

- Continued growth
- Year over Year Growth in Sales:
  - 2018\* versus 2017: +9%

\* Projected 2018 FY



# Vendor Composition

Category (a)	2018	%	2017	%
Farm Products & Packaged Foods (b)	23	72%	16	64%
Hot Foods & Local Artisans	9	28%	9	36%
Total	32	100%	25	100%

(a) Peak Number of Vendors

(b) Packaged items (e.g., breads, hummus, nut butters, olive oils, etc.)



# Online Marketing

- Facebook Followers: 1,894
- Instagram Followers: 577
  - Nearby Market Comps (Facebook/Instagram)
    - HB (Fri): 359 / NA
    - MB: 1,788 / 4,533
    - Riveria Village: 1,423 / 814
    - Torrance: 1,312 / 1,280





# Some Activity Highlights



Hermosa Beach's Boy Scouts of America Troop 860 is going to demo how to cook up some fresh farmers' market finds during market this week! Stop by and learn a few out-door cooking skills while you're picking up groceries and gifts.



## SEARED BRUSSELS SPROUTS WITH CILANTRO & CARROT TOP PESTO, PISTACHIOS & DRIED PERSIMMONS

*This is great as a meal or served as a side dish with any protein. I love eating this cold and warm! Enjoy!* CHEF

Amber



### Base Ingredients:

2lb Brussels sprouts, ends cut off & halved  
2 T coconut oil  
1 t salt  
1 cup dried persimmons, chopped  
1/2 cup pistachios

### Pesto Ingredients:

1 head cilantro, ends of stems removed, chopped  
1 head parsley, ends of stems removed, chopped  
1/2 bunch carrot tops, chopped  
1/2 cup olive oil  
1/2 cup pumpkin seeds  
1/2 cup pistachios  
Juice of 2 mandarin oranges  
4 dates, pitted  
1 T ginger, peeled  
2 cloves garlic  
1 t salt  
1/2 t cumin  
1/4 t crushed red pepper  
1/8 tsp salt

1. In a large sautéed pan, heat up the coconut oil. Add the Brussels sprouts and cook on high heat for 8 minutes. Stir every couple of minutes. Be careful not to burn. Searing the Brussel sprouts gives a nice brown caramelized color to the outside.
2. To make the pesto: In a food processor, blend all of the ingredients until very creamy, ~ 2 minutes.
3. Take the Brussels sprouts off the heat. Add in 1/2 of the pesto. (I like saving the extra for dips, salad dressing, and toasts!)
4. Toss in 1 cup of dried persimmons.
5. Top with more pistachios for an added crunch!

## RECIPE PARTNER



Chef Amber Caudle  
Owner of The Source Cafe  
509 Pier Avenue  
chefamber.com

**Hermosa Beach Farmers' Market**  
Wednesday 1-6pm @ 1 Pier Ave  
Facebook/Instagram: @farmermarkHB  
farmermark.com





## Staff Report

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### Staff Report

REPORT 19-0043

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019

**APPROVAL TO IMPLEMENT AN ANNUAL SKATE  
PARK MEMBERSHIP PROGRAM AND RESOLUTION  
ESTABLISHING AN ANNUAL SKATE PARK MEMBERSHIP  
FEE AND MEMBERSHIP CARD REPLACEMENT FEE**  
(Community Resources Manager Kelly Orta)

#### **Recommended Action:**

Staff recommends that the City Council:

1. Approve the implementation of an annual Skate Park Membership program; and
2. Adopt Resolution No. 19-XXXX establishing an annual Skate Park Membership fee and a Skate Park Membership Card Replacement fee.

#### **Executive Summary:**

The City of Hermosa Beach has maintained the skate park facility, formerly the site of two municipal tennis courts adjacent to the Hermosa Beach Community Center, since 1999. It was one of the first skate parks to open in Southern California. Currently, users of the Skate Park are required to sign a daily liability waiver prior to entering; signature from a parent or guardian is required for minors. Due to several instances of minors arriving at the park unattended and without a parent or guardian to sign the liability waivers, the children were unable to utilize the park. Following a request by the Parks, Recreation and Community Resources Advisory Commission (Commission) as well as an interest from staff to find an effective solution, staff researched its current recreation software and found an option for creating a membership program specific to the Skate Park, eliminating the necessity of the daily parent or guardian signature for all users. Staff recommends that through the purchase of minimal equipment, the City Council approve implementation of the Skate Park membership program and approve the resolution establishing an annual membership fee and a membership card replacement fee for users of the Skate Park that elect to utilize the membership program.

#### **Background:**

In 2018, the Community Resources Commission held a series of meetings where the use of scooters in the Skate Park was discussed; scooters were not permitted in the park at that time. As a result of



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## Staff Report

REPORT 19-0043

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these deliberations, several Skate Park use policies were discussed, including the City's daily requirement for an authorized adult to sign the release waiver for any minor utilizing the park. This policy has prohibited some minors from using the park in cases where their parents or guardians dropped them off without knowing they would be unable to skate without the parent or guardian's signature. In response, the Commission directed staff to review this policy and determine if there was a more efficient way for minors that may not have their parent or guardian present to use the Skate Park.

### Analysis:

The Skate Park is a staff-monitored facility that is open various hours, as outlined in Table 1:

**Table 1: Skate Park Hours**

<b>Monday– Friday</b>	3:00– 7:00pm
<b>Saturday &amp; Sunday</b>	12:00– 7:00pm
<b>Holidays and Hermosa Beach City School District (HBCSD) Vacation Days</b>	12:00– 7:00pm

Although the Skate Park is monitored, the monitors are not charged with keeping custody of the users. Parents or guardians, aware that staff are present, often leave minors unattended, resulting in many children unable to utilize the park without a parent or guardian signature on the liability waiver.

### Liability Waivers

In July 2013, the City began requiring the use of waivers for all those utilizing the park due to liability concerns from having the presence of a Staff monitor. Out of an abundance of caution, the City implemented the current liability waiver requirements, which require a parent or guardian to complete the forms on behalf of all minors. Initially, these forms were valid for one year, but staff was unaware of the high volume that would be collected. Quickly, it became clear that staff was unable to efficiently maintain the forms for quick reference on a daily basis. Additionally, park users were often frustrated by the amount of time it took for verification that valid forms were on file. Therefore, staff implemented a streamlined approach that requires the daily signature on a sign-in form, affirming their knowledge of potential for injury and the waiver language. Parents or guardians are required to sign for minors. This process is still in practice today.

### Membership Program

In an effort to further streamline the entry process into the Skate Park while also being mindful of the requirements for valid liability waivers, staff began researching alternative methods that could be easily applied and accommodate environmental limitations of the Skate Park. Staff discovered that by utilizing the existing recreation software, Active.NET, staff could implement a membership program, requiring signature on liability waiver forms on an annual basis. Additional software would not be

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## Staff Report

REPORT 19-0043

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required for purchase although additional equipment would be necessary, as further outlined. While the parent or guardian would be required to be present at the initial visit for the creation of a minor's membership, the parent or guardian would not be required at subsequent visits within one year from date of purchase. The execution of the release would be tied to the annual payment of the membership fee. At the time the membership is created, staff would print membership cards unique to each park user including their picture and membership expiration date. The user can then present this card to the park monitor upon arrival at the park to be allowed to enter.

A Skate Park Membership will not be required for use of the park. While it will be available to everyone, there will still remain the option for daily signatures on the liability waivers. Memberships would be available for purchase during regular office hours, Monday - Thursday from 7:00am - 6:00pm. Since there is staff time associated with the creation of each membership account and associated membership cards, staff recommends a \$10 membership fee for cost recovery efforts, charged to the Skate Park user. Additionally, staff recommends a \$5 membership card reprinting fee in cases where the card is lost or stolen. Records of valid memberships will be available in the Community Center office where users can receive a paper printout, obviating the need to reprint cards.

### Equipment

Minimal equipment and training would be necessary to implement this membership program. As previously discussed, the utilization of existing software allows staff the luxury of having prior knowledge of the program to navigate it with ease and very little training. Supplemental equipment, procured through Active.NET and required for implementation of this membership program, includes the card printer, ink, blank cards, and a camera, totaling \$1,673.10. This equipment is compatible with current office computers and existing software.

### General Plan Consistency:

This report and associated recommendations have been evaluated for their consistency with the City's General Plan. Relevant policies are listed below:

- Parks and Open Space Goal 1. First class, well maintained, and safe recreational facilities, parks and open spaces.
  - *1.5 - Evaluate community needs.* Conduct a periodic review of community park needs and interests to inform maintenance and investment priorities.

### Fiscal Impact:

The necessary equipment to launch this membership program totals \$1,673.10. Funds are available in the Community Resources Department's Contract Services account as a result of a cancelled excursion and other activities due to low registration. The purpose of the recommended fees is for cost recovery efforts including both staff time as well as the procurement and ongoing maintenance of the required equipment. Therefore, the City does not anticipate this to be a large revenue source.

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## Staff Report

REPORT 19-0043

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Anticipated revenues are difficult to estimate since this membership would not be required for all park users. While staff maintains daily park use numbers, it is challenging to determine how many users are returning each day versus those that may opt out of the membership.

### **Attachments:**

1. Resolution 19-xxx Establishing a Skate Park Membership Fee & Membership Card Replacement Fee

**Respectfully Submitted by:** Kelly Orta, Community Resources Manager

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, City Manager

**RESOLUTION NO. 19-xxx**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA AMENDING RESOLUTION 11-6749 (MASTER FEE RESOLUTION) TO ESTABLISH AN ANNUAL SKATE PARK MEMBERSHIP FEE AND A SKATE PARK MEMBERSHIP CARD REPLACEMENT FEE FOR USERS OF THE SKATE PARK FACILITY**

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH DOES RESOLVE AS FOLLOWS:**

**SECTION 1.** That the City Council hereby establishes a reasonable annual membership fee to recover the City's costs incurred by managing the Skate Park facility membership program.

**SECTION 2.** That the City Council hereby establishes a reasonable Skate Park membership card replacement fee to recover the City's costs incurred by providing replacement membership cards issued through the Skate Park facility membership program.

**SECTION 3.** That resolution 11-6749 is amended to update the Recreation Services fees section by adding the following items and fees:

Skate Park Membership Fee (annual)	\$10
Skate Park Membership Card Replacement fee	\$5

**SECTION 4.** These fees shall be effective immediately upon approval of this resolution.

**SECTION 5.** That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, APPROVED, AND ADOPTED by the City Council of the City of Hermosa Beach on this 22 day of January 2019.**

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Stacey Armato  
Mayor

ATTEST:

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Elaine Doerfling  
City Clerk



STATE OF CALIFORNIA     )  
COUNTY OF LOS ANGELES)  
CITY OF HERMOSA BEACH)

The foregoing Resolution No. \_\_\_\_ entitled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
HERMOSA BEACH, CALIFORNIA AMENDING  
RESOLUTION 11-6749 (MASTER FEE RESOLUTION) TO  
ESTABLISH AN ANNUAL SKATE PARK MEMBERSHIP  
FEE AND A SKATE PARK MEMBERSHIP CARD  
REPLACEMENT FEE FOR USERS OF THE SKATE PARK  
FACILITY**

was approved and adopted at a regular meeting of the City Council on January 22, 2019  
by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Elaine Doerfling  
City Clerk





## Staff Report

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### Staff Report

REPORT 19-0045

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of ~~January 22, 2019~~ March 12, 2019

### **PURCHASE OF POLICE DEPARTMENT VEHICLES**

*(Continued from meeting of January 22, 2019)*

(Acting Police Chief Milton McKinnon)

#### **Recommended Action:**

Staff recommends that the City Council authorize the purchase of the following vehicles for the Police Department:

- a. Three (3) 2019 Chevrolet Tahoe utility vehicles to replace existing Chevrolet Tahoes, which include the Watch Commander HB9 vehicle, and Patrol vehicles HB1 and HB5;
- b. Two (2) 2019 BMW R1200RT-P motorcycles to replace two (2) Honda ST 1300 motorcycles; and
- c. One (1) 2019 Toyota Tacoma pick-up truck to replace one (1) Ford Ranger P/U truck for Parking Enforcement.

#### **Executive Summary:**

The City of Hermosa Beach is committed to providing first-class public safety services to the community. Fulfilling this commitment relies heavily on the availability of adequate emergency response vehicles within the Police Department. The department's fleet currently has six vehicles due for replacement in fiscal year 2018-19; three (3) Chevrolet Tahoes, which include the Watch Commander HB9, and Patrol HB1 and HB5; two (2) Honda ST 1300 motorcycles for traffic enforcement; and one (1) Ford Ranger P/U for parking enforcement. Staff recommends the purchase of three (3) 2019 Chevrolet Tahoe utility vehicles, two (2) BMW motorcycles and one (1) Toyota Tacoma P/U truck to complete this replacement.

Staff has diligently evaluated the City's clean fleet policy and the department's operational needs to select the most cost and fuel-efficient vehicles currently available for law enforcement operations. Selections must also prioritize reliability, safety and effectiveness of vehicles for emergency response.

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## Staff Report

REPORT 19-0045

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### **Background:**

Police Department vehicles are part of the inventory in the City's Equipment Replacement Schedule. The current replacement timeline for the Watch Commander vehicle is five years and six years for patrol vehicles. Prior to the economic downturn that began in 2008, Police Department vehicles were replaced every four years. Due to the different facets of police work, the overall condition of law enforcement vehicles cannot be assessed by years of service or mileage. Hermosa's unique demands and type of roadways are strenuous on the vehicles due to constant acceleration, braking, natural elements, hills and engine run time. As an example, a typical vehicle driven by the California Highway Patrol (CHP) would have significantly higher mileage with longer replacement schedules due to the type of terrain in which they drive. A CHP officer may average 100-300 miles per shift on long stretches of highway without stop signs or traffic signals. These miles are easier on a vehicle due to less aggressive acceleration and harsh braking. In comparison, a Hermosa Beach police officer's average mileage is typically 10-50 miles per shift. While the mileage is drastically less, the vehicle is navigated through tight roadways with a vast amount of turns, hills, stop signs, traffic signals, pedestrian, and bicycle traffic, and is rarely shut off during a shift.

In order to deliver essential public safety services to the residents of Hermosa Beach, staff continues to recommend the City return to four years as the ideal replacement cycle for patrol vehicles and three years for a Watch Commander vehicle. The extended replacement period has proven to be detrimental to the operating costs and overall reliability of vehicles that are depended upon for emergency services. As a reference, the Manhattan Beach Police Department replaces patrol vehicles every four years and the Redondo Beach Police Department replaces patrol vehicles every three years. Additionally, a shorter replacement schedule would save operating costs through a combination of lower repair bills, fuel costs, and higher revenues when the vehicles are sold at the end of their shorter life cycles.

Furthermore, the fiscal delay of vehicle replacements in years 2009-2011 resulted in numerous vehicles due for replacement during the same fiscal year(s). Between fiscal years 2016-17 and 2017-18, there were approximately 18 vehicles due for replacement. In order to mitigate the financial impact of replacing these vehicles in such a short period of time, staff proposed a phasing process of vehicle replacements to strategically plan the replacement of four to five vehicles each year, prioritizing by the Department's needs. This phasing began in fiscal year 2017-18 and was again implemented for fiscal year 2018-19 during the regular budget process.

Following discussions with the Interim City Manager, Finance Director, Environmental Analyst, and Department staff, the City Council approved the replacement of the following vehicles with the 2018-19 budget adoption, which took place on June 12, 2018 ([Report 18-0369](#) <https://hermosabeach.legistar.com/LegislationDetail.aspx?ID=3523841&GUID=2FE3F15A-185F-490E-A373-989BF702822B>):

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## Staff Report

REPORT 19-0045

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Year	Model	Division	Years in Service
2013	Chevrolet Tahoe	Watch Commander	6
2012	Chevrolet Tahoe	Patrol	6
2012	Chevrolet Tahoe	Patrol	6
2011	Ford Crown Victoria	K-9	7
2011	Honda ST1300 motorcycl	Traffic	6
2011	Honda ST1300 motorcycl	Traffic	6
2008	Ford Ranger P/U	Parking	10

### **Analysis:**

The City Council adopted a Clean Fleet Policy and Action Plan on June 11, 2013, with a goal of net zero greenhouse gas emissions for the City fleet and alternative fuels for 100% of contracted City service vehicles. Staff takes into consideration both the policy and operational requirements when selecting vehicles to purchase. Department vehicles must adhere to several performance specifications, including Certification/Pursuit rated, range, performance, reliability, and size.

The Police Department has made every effort to select vehicles that adhere to the City's policy. Currently, all unmarked administrative vehicles have a hybrid gas/electric engine. These vehicles are not required to be "pursuit" rated but are still equipped with a siren and emergency lighting. However, the department's vehicle options are limited by lack of available full-electric/alternative-fuel when purchasing frontline police patrol and response vehicles or unmarked detective vehicles. Currently, there are no adequate alternative fuel options that can handle the rigorous demands of a frontline patrol vehicle. All hybrids, electric, CNG, hydrogen, and biodiesel vehicles have been explored as potential patrol vehicles; however, there are limitations, restrictions and failures when these types of vehicles are tested. As an example, in an attempt to utilize a hybrid vehicle for patrol purposes, the department agreed to purchase a Toyota Highlander Hybrid and deployed its use as a beach patrol vehicle. The department has experienced several issues related to the vehicle's performance and has difficulty keeping the battery charged. The vehicle routinely needs to be jump-started with a portable charging device. Additionally, there are no fuel savings from the hybrid system due to the constant running of the engine. The demands placed on the vehicle from electronics, heating, and air

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## Staff Report

REPORT 19-0045

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conditioning provide limited use of the electric hybrid system and ultimately drain the battery. This demonstrates how some vehicles are inadequate for use as an emergency response vehicle. Staff is working on repurposing this vehicle as a non-emergency response vehicle in another division.

Ford has purportedly developed several pursuit rated police hybrid vehicles that will be available in the near future. HBPD staff is monitoring the use of these models by the large departments (LAPD/LASD) who will be testing the vehicles to determine if they are suitable as frontline patrol vehicles. As an example, LAPD is waiting on the delivery of Ford's "Responder" hybrid patrol but has already determined the vehicle will not be used as a frontline patrol vehicle due to the lack of spot lights, ballistic panels, and concerns that there is not enough room in the back for prisoner transportation. Conversely, LAPD believes the larger hybrid "Utility" (Explorer) will provide the same level of frontline patrol service but almost double the current version's gas mileage (24 mpg vs. 12 mpg).

Five of the vehicles scheduled for replacement this fiscal year are frontline police patrol and response vehicles; one of which is strictly deployed as a Watch Commander vehicle. This vehicle is utilized every shift, operating 24 hours a day, 7 days a week. In an effort to standardize the department's fleet, staff has made efforts to replace patrol vehicles with Ford Explorer Interceptor Utilities (SUV) because of Ford terminating the production of the Crown Victoria Police vehicle. However, Ford is currently unable to fulfill the high demand for public safety vehicle requests and no longer has the 2018 Ford Explorers available for purchase. Ford has taken the drastic step of canceling a significant number of orders for 2018 Explorers pending the release of a redesigned 2020 model; the company is not manufacturing a 2019 Explorer.

Staff spoke with the Commanding Officer in charge of vehicle purchases at LAPD and learned that they have ordered more than 500 2020 Ford Explorers, and that any new orders will not be available until after January 2020. For this reason, staff recommends replacing the two patrol Chevrolet Tahoes and the Watch Commander vehicle due for replacement with same model vehicles. Chevrolet Tahoes currently meet the department's operational requirements and are readily available for purchase. The 2019 Chevrolet Tahoes have improved emission and fuel economy over the 2013 models they would replace. The City's Environmental Analyst, Kristy Morris, affirmed that the purchase of 2019 Tahoes conforms to the City's Clean Fleet Vehicle Purchasing Policy, adopted June 2013 and revised January 2018.

For many years, like many other police departments in Los Angeles County, HBPD vehicles have been and continue to be purchased using Los Angeles County's contracted vehicle prices. The practice of purchasing under the County's contract and taking advantage of "bulk" purchasing power has resulted in significant savings to the City.

The Police Department is choosing at this time to delay the purchase of a canine vehicle. The department is in the process of acquiring a new dog and selecting a handler. The anticipated time to

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## Staff Report

REPORT 19-0045

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train and place a dog into service is several months. As to the scheduled replacement of the K-9 vehicle (HB4 Crown Victoria), staff would recommend the purchase of a Ford Explorer for this assignment. The delay in placing a dog into service, coupled with the extended timeframe for Ford to produce a 2020 model Explorer, allows staff to reassess this vehicle in early spring 2019. If needed, staff would re-appropriate existing funds for the purchase of this vehicle in FY 2019-2020.

Staff requests that Council authorize the purchase of three (3) 2019 Chevrolet Tahoes to replace the three existing Chevrolet Tahoes. This purchase would be made from the National Auto Fleet Group, a division of Chevrolet of Watsonville, California, as part of the Sourcewell master vehicle contract order (#120716-NAF). The purchase price for three (3) Chevrolet Tahoes is **\$124,921.95** including all applicable taxes and fees (**Attachment 1**).

Although the Chevrolet Tahoe is a slightly larger vehicle than the Ford Explorer, it has nearly identical mile-per-gallon ratio and received the same rating for Greenhouse Gas and smog emissions by the California Air Resources Board's DriveClean.ca.gov website (**Attachment 2**). The 2019 Chevrolet Tahoe comes with a 5.3L V8 EcoTec3 Flex Fuel, energy efficient engine. These vehicles are competently built; however, as with all vehicles used by the Police Department, they would require several safety and lighting modifications for their use as standard Patrol vehicles. Lighting and safety equipment is purchased and installed by the South Bay Regional Public Communications Authority (SBRPCA), in Hawthorne, California. The City of Hermosa Beach is a contract member of the SBRPCA; thus, able to procure and have this equipment installed by the SBRPCA at a reduced cost.

Per SBRPCA, the cost to purchase and install the necessary equipment for two of the 2019 Chevrolet Tahoes, which would be used in the patrol division, is approximately **\$23,072.70**. This includes standard Police transport cages, push bumper, center console, and emergency equipment (PA, Siren, Lighting, storage/utility box, etc.). Some equipment from the existing Tahoes can be utilized to mitigate costs. However, as all models of vehicles are updated and redesigned by the manufacturers, some of the existing parts are not transferable.

Since the Watch Commander vehicle serves the dual purpose as a patrol vehicle and Incident Command Post, it would require additional equipment for emergency response as an incident command vehicle. Additionally, in the event the Emergency Operations Center (E.O.C) is unusable, the Watch Commander vehicle would likely become the E.O.C. command post. The vehicle can be moved at any time due to emergency conditions or threats.

The current and previous Watch Commander's vehicle was built according to storage and technology demands from the early 2000s. The department's current needs have outgrown the current storage solutions. As such, staff recommends removing the vehicle's rear seat and installing a custom storage and utility cabinet to accommodate and secure the additional gear. To facilitate the next generation of Watch Commander vehicle, staff contacted an additional lighting and safety equipment vendor, *911Vehicle*, to provide specific command vehicle installations. 911Vehicle designs, engineers

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## Staff Report

REPORT 19-0045

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and provides installations of emergency vehicle equipment that exceeds standard police vehicle construction. This vendor is a leader in this type of vehicle and has been contracted to build vehicles by several neighboring police and fire agencies including the City of Manhattan Beach.

The cost to purchase and install the necessary equipment for the 2019 Chevrolet Tahoe Watch Commander vehicle would be approximately **\$36,000 (Attachment 3)**. 911Vehicle offers a custom command desk/box that provides sliding access to storage, magnetic dry erase boards, charging ports, a 32-inch monitor with local television access for viewing data, news and displaying satellite maps. The command box provides a pull-out work surface and plexiglass panel for map underlay and hinged storage for hard maps. Additionally, a portable radio battery charging system, rear-facing MDC tablet, 110v plug, and secured storage would also be installed. Pictures of the equipment installed on Buena Park Police Department's vehicle are included as **Attachment 4** for reference.

The rear seat of the vehicle would be removed to accommodate electronics, radios, and computer operating equipment. Removal of the seat would allow for extra storage and is needed for the significant amount of equipment carried by the Watch Commander. The current vehicle configuration does not have any storage or space to secure all equipment. 911Vehicle would provide a storage and electronics system that would provide a transition from a Watch Commander vehicle with limited capabilities to a complete mobile command vehicle. The custom storage system developed by 911Vehicle would provide years of service and is expected to last the entire life of the vehicle. The system, expected to last 10 or more years, is transferrable and can be installed into the next Watch Commander vehicle purchase. Upgrades or replacing existing electronics can be made pending their development and implementation. With advancing technology and continual developments in the law enforcement field, staff believes this is a cost-effective approach to outfitting this multi-purpose vehicle.

In the 2018-19 Budget staff recommended the replacement of the Watch Commander's Chevrolet Tahoe with a Ford F-150 Responder truck due to increased storage capabilities. However, later in the year staff learned of 911Vehicle's solutions for designated command vehicles. After careful review of available options between an equipped F150 and reconfigured Chevrolet Tahoe, which included maximized storage capacities, staff determined that the Chevrolet Tahoe best meets the department's needs for the Watch Commander vehicle. Thus, staff recommends the replacement of the Watch Commander vehicle with another Tahoe, instead of the originally recommend F150 truck.

In addition to the three (3) Chevrolet Tahoes, staff also recommends the purchase of two BMW R1200RT-P motorcycles for traffic enforcement. The BMWs would replace two Honda ST1300 motorcycles, which have exceeded their service life. Since Honda discontinued its police model motorcycles last year, staff evaluated other options from the available police manufacturers, including Harley Davidson and BMW. Harley Davidson motorcycles were not selected due to lack of safety features and handling characteristics. Staff selected the BMW due to its safety features, specifically anti-lock braking, traction control, and tire pressure monitoring. These key safety features are



## Staff Report

REPORT 19-0045

significant to the rider's safety. The BMW is competently equipped from the factory with emergency lighting, including take-down lights, alley lights, handlebar switch system and a power management system for accessories. This negates the necessity to have the components and emergency equipment installed from a vendor. BMW includes oil change interval service and is backed by a three year, 60,000-mile limited warranty. The department, currently, has a BMW in its fleet, which has provided excellent service and reliability without any noted deficiencies.

This purchase would be made from Long Beach BMW motorcycle as part of the Los Angeles County Sheriff's contract PO-SH-15323008-1. The purchase price for two BMW motorcycles is **\$63,878.06** including all applicable taxes and fees (**Attachment 5**).

Staff recommends that Council authorize staff to purchase one (1) 2019 Toyota Tacoma P/U to replace one (1) existing Ford Ranger P/U. This purchase would be made from the National Auto Fleet Group, a division of Chevrolet of Watsonville, California, as part of the Sourcewell master vehicle contract order (#120716-NAF). The purchase price for one (1) Toyota Tacoma is **\$33,218.11** including all applicable taxes and fees. Per SBRPCA, the cost to purchase and install the necessary equipment for the 2019 Toyota Tacoma, which would be used by parking enforcement, is approximately **\$2,872.66**. This includes standard lighting, associated controls, and installation.

The total price to purchase and properly outfit the three (3) Chevrolet Tahoes, two (2) BMW motorcycles and one (1) Toyota Tacoma is approximately **\$286,363.48**

	Chevrolet Tahoe: Watch Commander	Chevrolet Tahoe: (2-Patrol)	BMW R1200RP (2-Motorcycles)	Toyota Tacoma: (1-Parking)	
Purchase price	\$41,640.6	\$83,281.3	\$63,878.0	\$33,218.1	
SBRPCA	\$0.00	\$23,072.7	N/A	\$2,872.66	
911Vehicle	\$36,000.0	N/A	N/A	N/A	
Paint/Badging	\$500.00	\$1,000.00	\$400.00	\$500.00	
<b>Total Cost:</b>	<b>\$78,140.6</b>	<b>\$107,354.0</b>	<b>\$64,278.0</b>	<b>\$36,590.7</b>	<b>\$286,363.4</b>
<b>FY 1819 Budget:</b>	<b>\$75,000.0</b>	<b>\$103,000.0</b>	<b>\$66,400.0</b>	<b>\$37,000.0</b>	<b>\$281,400.0</b>
<b>Additional funds</b>					<b>\$4,963.48</b>

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## Staff Report

REPORT 19-0045

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### **General Plan Consistency:**

PLAN Hermosa was adopted by the City Council in August 2017 to provide a set of goals, policies, and implementations actions needed to achieve the City's long-term vision. Collectively, City staff and the community strive to meet these goals through various initiatives and implementation actions. Part of those initiatives is the implementation of a Clean Fleet policy providing guidelines for purchasing vehicles that are cost-effective and more efficient. The department's recommendation provides the most practical replacement for first-class delivery of public safety services while also addressing the following goals:

#### Governance Element

- 1.3 Priority-based budgeting. Utilize priority-based budgeting to ensure funding allocations are consistent with the priorities set by the community and City Council.
- 1.6 Long-term considerations. Prioritize decisions that provide long-term community benefit and discourage decisions that provide short-term community benefit but reduce long-term opportunities.

#### Mobility

- 7.6 Pro-active traffic enforcement. Conduct pro-active traffic enforcement along streets where high collision rates, high speeds, and other unsafe behaviors are reported.

#### Public Safety

- 5.2 High level of response. Achieve optimal utilization of allocated public safety resources and provide desired levels of response, staffing, and protection within the community.

### **Fiscal Impact:**

Council approved the Police Department's budgeted request of \$281,400 in the FY 2018/2019 budget for the replacement of these vehicles. Due to increased vehicle and emergency equipment costs, the total amount of \$286,363.48 needed to purchase these vehicles is slightly higher than the budgeted funds. In order to acquire vehicles and equipment that best meet the department's needs, staff recommends using \$4,963.48 of available funds in the Equipment Replacement Fund due to the delay of purchasing a K-9 vehicle.

### **Attachments:**

1. National Auto Fleet Group Chevrolet Tahoe quote
2. DriveClean.ca.gov vehicle rating
3. 911vehicle Command Vehicle outfitting quote
4. Pictures of Buena Park command vehicle
5. Long Beach BMW motorcycle quote

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## Staff Report

REPORT 19-0045

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**Respectfully Submitted by:** Mick Gaglia, Police Sergeant

**Concur:** Milton McKinnon, Acting Chief of Police

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Approved:** Suja Lowenthal, City Manager



# National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

10/15/2018

Quote ID: **15480**Order Cut Off Date: **TBA**

Jim Beedy  
City of Hermosa Beach  
Public Works

1315 Valley Drive  
555 6th street

Hermosa Beach, California, 90254

Dear Jim Beedy,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

**One (1) New/Unused (2019 Toyota Tacoma 4WD (7516) SR5 Access Cab 6' Bed I4 AT (Natl), )** and delivered to your specified location, each for

	One Unit
Contract Price	\$30,328.18
Tax (9.5000 %)	\$2,881.18
Tire fee	\$8.75
Total	\$33,218.11

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell (Formerly Known as NJPA) 120716-NAF**. Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 30 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Not Listed  
Account Manager  
Email: jessman@hotmail.com  
Office: (951) 440-0585  
Fax: (831) 480-8497



**GMC**

**In order to Finalize your Quote, please submit this purchase packet to your governing body for Purchase Order Approval. Once you issue a Purchase Order please send by:**

**Fax: (831) 480-8497**

**Mail: National Auto Fleet Group  
490 Auto Center Drive  
Watsonville, CA 95076**

**Email: [Fleet@nationalautofleetgroup.com](mailto:Fleet@nationalautofleetgroup.com)**

**We will then send a W-9 if you need one**

**Please contact our main office with any questions:  
1-855-289-6572**

## Vehicle Configuration Options

EMISSIONS	
Code	Description
FE	50 STATE EMISSIONS
WHEELS	
Code	Description
___	WHEELS: 16" X 7" SILVER ALLOY
PRIMARY PAINT	
Code	Description
040	SUPER WHITE
PAINT SCHEME	
Code	Description
___	STANDARD PAINT
SEAT TRIM	
Code	Description
FC14	CEMENT GRAY, FABRIC SEAT TRIM
OPTION PACKAGE	
Code	Description
SL	SR5 PACKAGE
ADDITIONAL EQUIPMENT	
Code	Description
SM	SR5 APPEARANCE PACKAGE (SM), -inc: Wheels: 16" x 7" Silver Alloy, Color-Keyed Overfenders



## 2019 Fleet/Non-Retail Toyota Tacoma 4WD SR5 Access Cab 6' Bed I4 AT (Natl)

### WINDOW STICKER

2019 Toyota Tacoma 4WD SR5 Access Cab 6' Bed I4 AT (Natl)		
CODE	MODEL	MSRP
7516	2019 Toyota Tacoma 4WD SR5 Access Cab 6' Bed I4 AT (Natl)	\$30,400.00
<b>OPTIONS</b>		
FE	50 STATE EMISSIONS	\$0.00
—	WHEELS: 16" X 7" SILVER ALLOY	INC
040	SUPER WHITE	\$0.00
—	STANDARD PAINT	\$0.00
FC14	CEMENT GRAY, FABRIC SEAT TRIM	\$0.00
SL	SR5 PACKAGE	\$0.00
SM	SR5 APPEARANCE PACKAGE (SM), -inc: Wheels: 16" x 7" Silver Alloy, Color-Keyed Overfenders	\$685.00
Please note selected options override standard equipment		
<b>SUBTOTAL</b>		<b>\$31,085.00</b>
Advert/ Adjustments		\$0.00
Manufacturer Destination Charge		\$1,045.00
<b>TOTAL PRICE</b>		<b>\$32,130.00</b>
Est City: N/A MPG		
Est Highway: N/A MPG		
Est Highway Cruising Range: N/A mi		

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

**Standard Equipment****MECHANICAL**

Engine: 2.7L I-4 DOHC 16-Valve -inc: cast iron block w/aluminum alloy head and VVT-i
Transmission: 6-Speed Automatic -inc: electronically controlled w/intelligence
Axle Ratio: 4.30
GVWR: 5,600 lbs
Electronic Transfer Case
Part-Time Four-Wheel Drive
Battery w/Run Down Protection
1380# Maximum Payload
Gas-Pressurized Shock Absorbers
Front Anti-Roll Bar
Hydraulic Power-Assist Speed-Sensing Steering
21.1 Gal. Fuel Tank
Single Stainless Steel Exhaust
Auto Locking Hubs
Double Wishbone Front Suspension w/Coil Springs
Leaf Rear Suspension w/Leaf Springs
Front Disc/Rear Drum Brakes w/4-Wheel ABS, Front Vented Discs, Brake Assist, Hill Descent Control and Hill Hold Control
Brake Actuated Limited Slip Differential

**EXTERIOR**

Wheels: 16" x 7J+30 Style Steel Disc
Tires: P245/75R16 AS
Regular Composite Box Style
Steel Spare Wheel
Full-Size Spare Tire Stored Underbody w/Crankdown
Clearcoat Paint
Body-Colored Front Bumper w/1 Tow Hook
Step Bumper w/Black Rub Strip/Fascia Accent
Chrome Rear Bumper
Black Side Windows Trim, Black Front Windshield Trim and Black Rear Window Trim
Body-Colored Door Handles
Body-Colored Fender Flares
Body-Colored Power Side Mirrors w/Manual Folding
Sliding Rear Window
Deep Tinted Glass
Variable Intermittent Wipers
Fully Galvanized Steel Panels
Black Grille w/Chrome Surround
Reverse Opening Rear Doors
Tailgate Rear Cargo Access
Tailgate/Rear Door Lock Included w/Power Door Locks
Integrated Storage
LED Brakelights
Auto Off Projector Beam Halogen Auto High-Beam Headlamps
Daytime Running Lamps -inc: black bezel
Front Fog Lamps -inc: driving lamps



**ENTERTAINMENT**

Radio: Entune Plus AM/FM/CD w/Connected Navigation -inc: 6 speakers, 6.1" high-resolution touch-screen display, auxiliary audio jack, USB 2.0 port, iPod connectivity and control, advanced voice recognition, Bluetooth hands-free phone capability, phone book access and music streaming, Connected Navigation Scout GPS Link App, Siri eyes free, SiriusXM satellite radio w/complimentary SiriusXM All Access 90-day trial subscription included, HD Radio, HD traffic and weather and integrated backup camera display
Radio w/Seek-Scan, MP3 Player, Clock, Speed Compensated Volume Control and Steering Wheel Controls
Integrated Roof Antenna
2 LCD Monitors In The Front

**INTERIOR**

Front Bucket Seats -inc: 4-way adjustable front seats w/driver lumbar support
Driver Seat
Passenger Seat
Jump Front Facing Fold-Up Cushion Rear Seat
Manual Tilt/Telescoping Steering Column
Gauges -inc: Speedometer, Odometer, Engine Coolant Temp, Tachometer, Trip Odometer and Trip Computer
Fixed Rear Windows
Entune Selective Service Internet Access
Leather/Metal-Look Steering Wheel
Front Cupholder
Rear Cupholder
Remote Keyless Entry System -inc: panic functions and smart door lock
Cruise Control w/Steering Wheel Controls
Distance Pacing
Manual Air Conditioning
Locking Glove Box
Driver Foot Rest
Full Cloth Headliner
Cloth Door Trim Insert
Urethane Gear Shift Knob
Interior Trim -inc: Metal-Look Door Panel Insert, Metal-Look Console Insert and Chrome/Metal-Look Interior Accents
Fabric Seat Trim
Day-Night Rearview Mirror
Full Floor Console w/Covered Storage, Mini Overhead Console w/Storage, Rear Console w/Storage and 2 12V DC Power Outlets
Front Map Lights
Fade-To-Off Interior Lighting
Full Carpet Floor Covering
Instrument Panel Bin, Interior Concealed Storage, Driver / Passenger And Rear Door Bins and 2nd Row Underseat Storage
Power 1st Row Windows w/Driver 1-Touch Down
Delayed Accessory Power
Power Door Locks w/Autolock Feature
Outside Temp Gauge
Analog Display
Trip Computer
Seats w/Cloth Back Material
Manual Anti-Whiplash Adjustable Front Head Restraints and Fixed Rear Head Restraints
Front Center Armrest
Engine Immobilizer

2 12V DC Power Outlets

Air Filtration

**SAFETY**

Electronic Stability Control (ESC)
ABS And Driveline Traction Control
Side Impact Beams
Dual Stage Driver And Passenger Seat-Mounted Side Airbags
Toyota Safety Sense P
Lane Departure Alert (LDA) Lane Departure Warning
Low Tire Pressure Warning
Dual Stage Driver And Passenger Front Airbags w/Passenger Off Switch
Curtain 1st And 2nd Row Airbags
Airbag Occupancy Sensor
Driver And Passenger Knee Airbag
Outboard Front Lap And Shoulder Safety Belts -inc: Height Adjusters and Pretensioners

DriveClean.ca.gov

A guide to clean and efficient vehicle technology. Brought to you by California Air Resources Board.

Vehicle Comparison Guide

Review Your Results

You selected the following vehicles to compare: 2018 Ford Explorer AWD FFV 3.5L, V6 2018 Chevrolet Tahoe C1500 2WD 5.3L, V8

Emission Ratings

Greenhouse Gas Rating:



Learn More >

Ethanol (E85)



Learn More >

Ethanol (E85)



Smog Rating:

N/A

Learn More >



Learn More >

Emissions Certification Standard:



California LEV-III ULEV125

Technologies & Fuel Types

Fuel/Technology:

Ethanol (E85) flex fuel

Ethanol (E85) flex fuel

Annual Fuel Costs:

\$2,150.00

\$2,000.00

Purchase Consideration

Availability:

Warranty:

Incentives:



Select Clear to remove column of results:

Clear

Clear

This document was printed from DriveClean.ca.gov.





5604 E. La Palma Ave Anaheim CA 92807  
P: (714) 808-0911 F: (714) 808-0916

Your Single Source Provider for Emergency Vehicle Solutions

### Quote#82818

To:	<b>Mick Gaglia</b>	From:	<b>Dan Walters</b>
Company:	<b>Hermosa Beach PD</b>	Date:	<b>August 28, 2018</b>
Fax #		Phone #	
Regarding: <b>Chevrolet Tahoe Command Vehicle</b>			
<b>1</b> Number of Pages sent including cover sheet			

Qty	Breakdown with labor:	EXTENSION TOTAL
<b>Base Electrical Conversion</b>		
1	Main DC Power / Ground Electrical Buss	995.00
1	Factory Replacement Odyssey PC1500 Battery	390.00
1	Additional Odyssey PC1500 Battery in Engine	465.00
1	Odyssey PC2150 Batteries in Comm. Cabinet	545.00
1	Dual Battery Isolator	450.00
1	Key Ignition Control System	205.00
1	ICON Multiplex System	2,945.00
1	2GA. Power Cable for Rear Battery	270.00
1	Park Neutral Control System	170.00
1	Command Center Control System	170.00
<b>Emergency Lighting and Siren Package</b>		
1	Lightbar provided by PD (CS)	300.00
1	Siren and Lighting Controller (CS)	375.00
1	Head Light Flasher	154.00
1	Whelen Outer Edge LED Light System on Rear Hatch (CS)	300.00
2	Under Side Mirror LED's Red and Blue LINSV2 (CS)	300.00
4	Hide-a-way LED's in Factory Lights (CS)	375.00
2	ION LED's on Pedestal Mounts in Side Rear Windows (CS)	300.00
2	M4RC & M4BC LED's Mounted at Fog lights Postions (CS)	300.00
1	Connection of Push Bumper Lighting (CS)	130.00
1	Rear License Plate ION LED's and Bracket (CS)	150.00
1	100Watt Siren Speaker & Bracket (CS)	150.00
2	LED Lights mounted under rear hatch (CS)	150.00
<b>Radios and Computers</b>		
1	Dual Head APX Motorola Radio Installation (CS)	900.00
2	Installation of (2) Overhead Radio Speakers in Cab	220.00
2	Installation of (2) Overhead Radio Speakers in Rear Hatch	220.00
1	Installation of Computer including I.D. Scanner and Speakers(CS)	450.00
1	Installation of Wireless Modem for MDC (CS)	310.00
4	Antennas Installed	767.50
1	Multi-Band Antenna for Wireless Modem (CS)	112.50
3	Magnetic Mic Clips	231.00
<b>Command Center Cabinets</b>		
1	Troy Center Console	1,195.00
1	Computer Screen & Keyboard Mount	775.00
1	Mounting Platform for Command Box	350.00
1	911Vehicle Custom Command Module	7,275.00
1	Slide Master with 100% and 125% Extension	1,885.00
1	Custom Storage Cabinet on top of 60% & 40% Seat	1,975.00
1	Command Area Lighting with Override Switch	450.00
<b>Other Equipment</b>		
1	Misc. Parts and Materials	300.00
1	Kussmaul Auto Eject 20 Amp	510.00
1	2000Watt Puresinewave Inverter/100 Amp Battery Charger	2,370.00
2	110V Outlets Installed at Rear Command and Console	260.00
1	Installation of Camera System Harnesses (CS)	375.00
1	Dual Gun Locks and Gun Lock Timer(CS)	150.00
2	DC Outlet and Dual USB Outlet on Center Console	170.50
2	DC Outlet and Dual USB Outlet at Rear Command Desk	170.50
1	Push Bumper (CS)	300.00
1	32" LED HD 4K TV in top of Command Box	970.00
1	Off Air Antenna for HD TV reception	275.00
1	Custom TV Mount to Tilt Up from Command Desk	1,095.00
1	Apple TV and Chrome Cast	425.00
1	HDMI Input connection points on command box	290.00

**SUBTOTALS** \$ **34,366.00**

**SALES TAX** \$ **1,622.93**

**(CS)= customer supplied** **TOTAL** \$ **35,988.93**

PRICES ARE PER VEHICLE / ALL QUOTES ARE GOOD FOR 30 DAYS



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Buena Park PD Command Suburban

# Buena Park PD Command Suburban

**Rear Command Box with 32" HDTV  
Deployed inside vehicle**



**Command Slide Extended to access storage  
behind command desk and side dry erase  
boards**



# Buena Park PD Command Suburban

**Work Surface with Plexi-glass panel for map underlay and hinged storage for additional maps and pens**



**Magnetic Dry Erase Panels of Both Sides of Command Desk**





# Buena Park PD Command Suburban

**Center Console with Map Storage Box**



**Looking from front seats towards the back of the vehicle**





# Buena Park PD Command Suburban

**2<sup>nd</sup> Row Seats Removed for Electronics  
and Equipment Storage**



**Electronics Equipment and Radios**



# Buena Park PD Command Suburban

**Storage for Maps under writing surface**





# Buena Park PD Command Suburban



# LONG BEACH BMW MOTORCYCLES

2125 E. Spring Street • Long Beach, California 90806

Mailing Address: P.O. Box 90639 • Long Beach, California 90809-0639  
562.426.1200 • 562.426.1157 Fax • [www.longbeachbmwmotorcycles.com](http://www.longbeachbmwmotorcycles.com)

City of Hermosa Beach

Quote

12/20/2018

## LA County Sheriff Contract PO-SH-15323008-1

2019 BMW R1250RT-P	\$26,991.52
Delete Shotgun Mount	-\$445.00
Cite book holder	\$170.00
Dynamic Package	\$392.00
Rifle Rack	\$676.00
LED Aux. Lights	\$550.00
Install Agency supplied radio	\$324.00
Saddle bag liner bag	\$69.95
Tall Windscreen	\$229.95
Estimated price increase on 2019 model	\$300.00
Doc fee	\$80.00
Sub Total	<b>\$29,338.42</b>
Sales Tax 8.75%	\$2,567.11
Tire Fee	\$3.50
CVR Fee	\$30.00
<b>Grand Total OTD</b>	<b>\$31,939.03</b>



Charles Berthon



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0051

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**COUNCILMEMBER FANGARY REPORTS ON HIS  
ATTENDANCE AT THE CALIFORNIA CONTRACT  
CITIES ASSOCIATION LEGISLATIVE TOUR IN  
SACRAMENTO FROM JANUARY 7-9, 2019**



# CALIFORNIA CONTRACT CITIES ASSOCIATION

## President's Message

Dear CCCA Friends and Colleagues,

The California Contract Cities Association (CCCA) hosted another successful Sacramento Legislative Tour (SLOT) from January 7-9, 2019. This was CCCA's 52nd year welcoming nearly 100 mayors, councilmembers, and senior city staffers to Sacramento to advocate for our member cities and to work toward strengthening local control. Our delegation focused on CCCA's 2019 Legislative Priorities which provide a framework for our position on legislation that would impact issue areas, ranging from community choice aggregation, housing/homelessness, taxation, and public safety. More information about CCCA's 2019 Legislative Priorities can be found [here](#).



On January 7 (Monday), CCCA gathered at the State Capitol for a number of briefing sessions, including a panel discussion with State Senator Scott Wiener (D-11) to discuss his bill, SB 50. SB 50, a revised version of last year's most contentious housing bill, SB 827, would authorize a housing developer maximum controls on density and limit parking requirements in proximity to major transit stops and job-rich areas. Noting the author's intent to reintroduce a housing density bill, CCCA collaborated with Sen. Wiener, Thaddeus McCormack, City Manager of Lakewood, and Juan Garza, Contract Cities' Legislative Chair, to discuss SB 50 from a local's perspective on density, such as concerns regarding the reliability of transit schedules, passenger capacity, CEQA reforms, and strains to public services. The discussion was well-received from both the delegation and Senator Wiener, helping bridge the dialogue that was lost during the discussion's in last year's bill. Senator Wiener expressed his commitment to working with the Association on SB 50 in the coming months.

The delegation also received early introductions to proposed legislation concerning housing ([SB 4](#), [SB 6](#), [SB 50](#)) and a new tax-increment financing tool, better known as redevelopment 2.0 ([AB 11](#), [SB 5](#)). Speakers included





Senator Anthony Portantino, committee consultants from Assembly Housing and Community Development, Assembly Communications and Conveyance, and Assembly Local Government. The Legislative Committee will review these bills in the coming months.



On January 8 (Tuesday), the delegation participated in over forty-six small group meetings with legislative offices that represent the entirety of CCCA. Members cities shared three key talking points important to CCCA's 2019 Legislative Priorities: local control, housing/homelessness, and public safety. CCCA wrapped up Tuesday's activities with a luncheon with Assembly Speaker Anthony Rendon and its Annual Sacramento Legislative Reception. The Association

welcomed numerous state legislators where conference attendees and legislators could engage in casual conversation about the legislative year ahead.

The annual tour concluded with many cities conducting meetings with their legislators on Wednesday, January 9. CCCA would like to thank everyone who attended this year's legislative tour. We expect to see a lot of legislation that will impact our communities and we are prepared to continue our dialogue with bill authors. This year's SLOT highlights the deep and diverse discussions forming in the state legislature that will have profound implications for local governments. Member cities are highly encouraged to remain engaged in the policy discussion, especially when the Legislative Committee considers action in the coming months.



Lastly, I want to congratulate more than 50 newly elected councilmembers, city treasurers, and city clerks for their election this past November from across the CCCA membership. I hope you will lend your leadership and perspectives to CCCA as we advocate and strengthen local control. I hope everyone will join me in recognizing these new leaders at our upcoming events as we introduce them to the CCCA family.

Sincerely,

*Jorge Morales*

Jorge Morales  
President, California Contract Cities Association  
Vice Mayor, City of South Gate

**#StrengthenLocalControl**



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0050

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**UPDATES FROM CITY COUNCIL AD HOC SUBCOMMITTEES  
AND STANDING COMMITTEE DELEGATES/ALTERNATES**





# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0057

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

**COUNCILMEMBER DUCLOS REQUESTS THAT THE CITY  
COUNCIL CONSIDER HOLDING A JOINT STUDY SESSION  
WITH THE BEACH CITIES HEALTH DISTRICT TO  
DISCUSS YOUTH HEALTH ISSUES**



# City of Hermosa Beach

City Hall  
1315 Valley Drive  
Hermosa Beach, CA 90254

## Staff Report

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### Staff Report

19-0058

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of January 22, 2019**

### **TENTATIVE FUTURE AGENDA ITEMS**

#### **Recommended Action:**

Staff recommends that the City Council receive and file the tentative future agenda items.

#### **Attachments:**

Tentative Future Agenda

**TENTATIVE FUTURE AGENDA ITEMS**

**WEDNESDAY, FEBRUARY 6, 2019 @ 6:00 PM**

**NO STUDY SESSION**

FEBRUARY 12, 2019 @ 6:00 PM		INITIAL DATE
CLOSED SESSION: QUARTELY LITIGATION UPDATE		
FEBRUARY 12, 2019 @ 7:00 PM		
PRESENTATIONS		
RECOGNIZING HERMOSA BEACH GREEN BUSINESSES		
UPDATE ON BEACH CITIES HEALTH DISTRICT AND REDEVELOPMENT OF THE HEALTHY LIVING CAMPUS		
CONSENT CALENDAR		
City Council Minutes	City Clerk	Ongoing
Check Registers	Finance Director	Ongoing
Recommendation to receive and file the action minutes of the Parks, Recreation and Community Resources Advisory Commission meeting of December 4, 2018 and January 2, 2019	Community Resources Manager	Ongoing
Recommendation to receive and file the action minutes of the Public Works Commission meetings of May 16, 2018, July 18, 2018, September 19, 2018 and November 28, 2018.	Public Works Director	Ongoing
Dates for the 2018-19 Midyear Budget Review and the 2019-20 Budget Study Session	Finance Director	Annual
Recommendation to Reject Claim	Human Resources Manager	Staff Request Jan 7, 2019
PUBLIC HEARINGS – 7:30 PM		
Consideration of an Ordinance regulating Sidewalk Vending in compliance with Senate Bill 946	Community Development Director	Staff Request Nov. 2018
Public Hearing for Approval of the Following Impact Level III Events to the 2019 Special Event Calendar: Marymount California University Women’s Volleyball Home Beach Games on 2/22, 3/15, 3/29 & 4/5; POR Sandy Sauté on 3/23; and the South Bay Surf Series on 3/24	Community Resources Manager	Staff Request Jan 17, 2019
MUNICIPAL MATTERS		
Review of Municipal Lease Policy Subcommittee’s Recommended Policy Guidelines	Community Resources Manager	Staff Request Dec 3, 2018
Consideration of a One-Year Extension to the Rotary Club Lease Agreement for Use of the Rotary Club Facility	Community Resources Manager	Staff Request Dec 3, 2018
Consideration of designating a route in honor of Julian Katz	Environmental Analyst	Council Direction Jun. 2018
Update on Downtown Lighting Project Design Alternatives	Public Works Director	Staff Request Jan 9, 2019
Award of Contract to United Stormwater to furnish and install Connector Pipe Screens in catch basins	Environmental Analyst / Public Works Director	Staff Request Jan 9, 2019
MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS – CITY COUNCIL		
Updates from City Council Ad Hoc Subcommittees and Standing Committee Delegates/Alternates	Councilmembers	Ongoing
OTHER MATTERS – CITY COUNCIL		
Tentative Future Agenda	City Manager	Ongoing

FEBRUARY 26, 2019 @ 6:00 PM		INITIAL DATE
CLOSED SESSION: WORKERS COMP		
FEBRUARY 26, 2019 @ 7:00 PM		
CONSENT CALENDAR		
City Council Minutes	City Clerk	Ongoing
Check Registers	Finance Director	Ongoing
Recommendation to receive and file the action minutes of the Planning Commission meeting of February 19, 2019	Community Development Director	Ongoing
South Bay Workforce Investment Board Quarterly Summary	City Manager	Quarterly
CONSENT ORDINANCES		
Second Reading of Ordinance regulating Sidewalk Vending in compliance with Senate Bill 946	City Clerk	Council Direction Dec 11, 2018
PUBLIC HEARINGS – 7:30 PM		
Public Hearing Appeal of the Parks, Recreation and Community Resources Advisory Commission’s Denial of Hope Chapel’s Easter Sunrise Service on the Community Center’s East Lawn on Sunday, April 21	Community Resources Manager	Staff Request Jan 17, 2019
MUNICIPAL MATTERS		
Purchase and installation of Pier Avenue Bus Stop Shelters & Furniture	Environmental Analyst	New Item
Midyear Budget Review 2018-19	Finance Director	Annual
Update on South Bay Guidelines for a Shared Mobility (bikeshare and e-scooters) Pilot Program	Environmental Analyst	Council Direction Aug 28, 2018
Consideration of entering into an Agreement with LexisNexis for the Crossroads program - a traffic collision report writing and analytics program	Police Chief	Staff Request
MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS – CITY COUNCIL		
Updates from City Council Ad Hoc Subcommittees and Standing Committee Delegates/Alternates	Councilmembers	Ongoing
OTHER MATTERS – CITY COUNCIL		
Tentative Future Agenda	City Manager	Ongoing

<b>WEDNESDAY, MARCH 6, 2019 @ 6:00 PM</b>
<b>STUDY SESSION</b>

<b>SATURDAY, MARCH 9, 2019 @ 9:00 AM</b>
<b>CITY COUNCIL RETREAT</b>

MARCH 12, 2019 @ 6:00 PM		INITIAL DATE
CLOSED SESSION		
MARCH 12, 2019 @ 7:00 PM		
CONSENT CALENDAR		
City Council Minutes	City Clerk	Ongoing
Check Registers	Finance Director	Ongoing
Recommendation to receive and file the action minutes of the Parks, Recreation and Community Resources Advisory Commission meeting of February 5, 2019	Community Resources Manager	Ongoing
Recommendation to receive and file the action minutes of the Emergency Preparedness Advisory Commission meeting of January 7, 2019	Emergency Management Coordinator	Ongoing
MUNICIPAL MATTERS		
Document Retention Policy	City Clerk	Staff Request Nov 28, 2018
MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS – CITY COUNCIL		
Updates from City Council Ad Hoc Subcommittees and Standing Committee Delegates/Alternates	Councilmembers	Ongoing
OTHER MATTERS – CITY COUNCIL		
Tentative Future Agenda	City Manager	Ongoing

MONDAY, MARCH 18, 2019 @ 7:00 PM
JOINT MEETING WITH SCHOOL BOARD

MARCH 26, 2019 @ 6:00 PM		INITIAL DATE
CLOSED SESSION		
MARCH 26, 2019 @ 7:00 PM		
CONSENT CALENDAR		
City Council Minutes	City Clerk	Ongoing
Check Registers	Finance Director	Ongoing
Recommendation to receive and file the action minutes of the Planning Commission meeting of March 19, 2019	Community Development Director	Ongoing
Recommendation to receive and file the action minutes of the Public Works Commission meeting of January 16, 2019.	Public Works Director	Ongoing
MISCELLANEOUS ITEMS AND MEETING ATTENDANCE REPORTS – CITY COUNCIL		
Updates from City Council Ad Hoc Subcommittees and Standing Committee Delegates/Alternates	Councilmembers	Ongoing
OTHER MATTERS – CITY COUNCIL		
Tentative Future Agenda	City Manager	Ongoing

PENDING STRATEGIC PLAN ITEMS		INITIAL COMPLETION DATE
Update Personnel Policies	Human Resources Manager	
Beach Policy/Regulations ( <i>Continued from meeting of October 27, 2016</i> )	Community Resources Manager	Sept-2016
Alternative Fuel Transportation Report	Environmental Analyst	Nov-2016
Encroachment Direction	City Attorney	Nov-2016
CCA Direction	Environmental Analyst	Dec-2016
Information Item – Phase 3 Parking Meter Purchase	Police Chief / Assistant to the City Manager	Jul-2017
PENDING NEW ITEMS		INITIAL REQUEST
Initial Report on Options and Strategies for Installing a Permanent Carousel or other Family Friendly Features at the Entry Point to Pier Plaza. In Cooperation with the Chamber of Commerce, this would include a Preliminary Cost Benefit Analysis and Implementation of the City Decision Making Tool (supported by Duclos and Fangary)	Public Works Director	Other Matters
Tree ordinance with respect to tree removal	Public Works Director	Staff Request
Consideration of re-establishing, on an as needed basis, both funding and discretion for the director of Public Works to contract services to pump major beach storm outfalls drains prior to anticipated major storm events (supported by Duclos, Armato and Petty)	Public Works Director	Other Matters
Policy discussion regarding city responsibilities and expectations when donations are made to city	Finance Director	Council Direction
Consideration of a position letter on federal gun control legislation (supported by Fangary, Armato and Massey)	Assistant to the City Manager	Other Matters
Report on Phase II of Library Assessment including Location Alternatives	Community Resources Manager	Staff Request
Award of Contract for On-Call Traffic Engineering Services	Public Works Director	Staff Request
Update on bicycle infrastructure implementation & Next Steps	Environmental Analyst	Council Direction
Special Event Policy Update and Subcommittee Direction	Community Resources Manager	
Parking Lot D (Manhattan Ave and 14 <sup>th</sup> Street) Final Designs	Environmental Analyst	Staff Request
Consideration of proposed changes to the city right of way and public facilities in the area of the proposed North School Project	Environmental Analyst	Staff Request
Ordinance on plastic serveware (supported by Duclos, Campbell and Armato)	Environmental Analyst	Other Matters
Adoption of Athens Organic Rates	Environmental Analyst	Staff Request
Fiesta Hermosa Contract	Community Resources Manager	Staff Request
Measure H Grant Acceptance	Assistant to the City Manager	Staff Request
Consent for use of “Lot B” for construction staging area for Pier/Strand project	Community Development Director	Staff Request
Establishment of Permanent Downtown Rideshare Zones	Environmental Analyst	Staff Request
Amendment to Tobacco Retailers License to include Flavored Tobacco across all Retailers	Community Development Director	Staff Request