City of Rolling Hills INCORPORATED JANUARY 24, 1957

2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521

AGENDA **CITY COUNCIL** **CITY OF ROLLING HILLS**
Regular City Council Meeting **Monday, May 12, 2025** **7:00 PM**

The meeting agenda is available on the City's website. The City Council meeting will be live-streamed on the City's website. Both the agenda and the live-streamed video can be found here: https://www.rolling-hills.org/government/agenda/index.php

Members of the public may submit written comments in real-time by emailing the City Clerk's office at cityclerk@cityofrh.net. 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 that you do not want to be published.

Recordings to City Council meetings can be found here: https://www.rolling-hills.org/government/agenda/index.php

Next Resolution No. 1390 *Next Ordinance No. 386*

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS/PROCLAMATIONS/ANNOUNCEMENTS

5. APPROVE ORDER OF THE AGENDA

This is the appropriate time for the Mayor or Councilmembers to approve the agenda as is or reorder.

6. BLUE FOLDER ITEMS (SUPPLEMENTAL)

Blue folder (supplemental) items are additional back up materials to administrative reports, changes to the posted agenda packet, and/or public comments received after the printing and distribution of the agenda packet for receive and file.

6.A. FOR BLUE FOLDER DOCUMENTS APPROVED AT THE CITY COUNCIL MEETING
RECOMMENDATION: Approved
CL_AGN_250512_CC_Item15C.pdf

7. PUBLIC COMMENT ON NON-AGENDA ITEMS

*This is the appropriate time for members of the public to make comments regarding items**not** listed on this agenda. Pursuant to the Brown Act, no action will take place on any items not on the agenda.*

8. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Mayor or any Councilmember may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion. The

Mayor will call on anyone wishing to address the City Council on any Consent Calendar item on the agenda, which has not been pulled by Councilmembers for discussion.

8.A. APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL REGULAR MEETING OF MAY 12, 2025
RECOMMENDATION: Approve.
CL_AGN_250512_CC_AffidavitofPosting.pdf

8.B. APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA
RECOMMENDATION: Approve.

8.C. APPROVE THE FOLLOWING MINUTES OF APRIL 28, 2025: FINANCE/BUDGET/AUDIT COMMITTEE SPECIAL MEETING AND CITY COUNCIL REGULAR MEETING
RECOMMENDATION: Approve as presented.
CL_MIN_250428_FBA_F.pdf
CL_MIN_250428_CC_F.pdf

8.D. PAYMENT OF BILLS
RECOMMENDATION: Approve as presented.
CL_AGN_250512_CC_PaymentOfBills_E.pdf

8.E. ADOPT RESOLUTION NO. 1389, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS APPOINTING NICOLAS PAPAJOHN AS CITY ATTORNEY; AND AUTHORIZE THE CITY MANAGER TO EXECUTE ANY DOCUMENTS NECESSARY TO IMPLEMENT THE APPOINTMENT
RECOMMENDATION: Approve as presented.
ResolutionNo1389_CityAttorneyAppointmnt_NicolasPapajohn_F.pdf
CA_AGR_250512_BBK_Amendment04_F.pdf

9. EXCLUDED CONSENT CALENDAR ITEMS

10. COMMISSION ITEMS

11. PUBLIC HEARINGS

12. OLD BUSINESS

13. NEW BUSINESS

13.A. FISCAL YEAR 2025/26 PROPOSED BUDGET INCLUDING FINANCE, BUDGET, AND AUDIT COMMITTEE RECOMMENDATIONS
RECOMMENDATION: Hear a report from staff and provide staff direction on the proposed General Fund revenues and expenditures for fiscal year 2025-26, including the Finance, Budget, and Audit (FBA) Committee's recommendations based on their review of the proposed budget at their meeting held on April 28, 2025.
Attachment A - CL_AGN_250512_CC_GeneralFundBalancing_Summary.pdf
Attachment B - CL_AGN_250512_CC_Proposed_GeneralFund_Revenues.pdf

Attachment C - CL_AGN_250512_CC_Proposed_FY25-26_GeneralFund_Expenditures.pdf
CL_AGN_250512_CC_PowerPoint_Presentation.pdf

13.B. SELECTION OF AN AUDIT FIRM FOR THE THREE FISCAL YEARS ENDED JUNE 30, 2025 THROUGH JUNE 30, 2027
RECOMMENDATION: That Council provide staff direction with regards to the selection of an audit firm.
Attachment A - CL_AGN_250428_CC_VasquezProposal.pdf
Attachment B - CL_AGN_250428_CC_PricePaige&Co_Proposal.pdf

13.C. CONSIDERATION OF PROPOSED EMPLOYEE SALARY SCHEDULE AND JOB CLASSIFICATION MODIFICATIONS
RECOMMENDATION: Approve as presented.
Attachment A - HR_EHB_220425_Final.pdf
Attachment B - HR_Salary Survey_20250512.pdf
Attachment C - HR_Proposed Salary Schedule_20250512.pdf
Attachment D - HR_Draft Job Duties for Planning Manager and Code Compliance Officer_Planning Technician.pdf

13.D. RECEIVE AND FILE AN UPDATE ON POTENTIAL ADDITIONAL LOCATIONS FOR THE OUTDOOR EMERGENCY SIREN SYSTEM AND RELATED COSTS TO IMPROVE AND ENSURE CITYWIDE COVERAGE
RECOMMENDATION: Receive and file. Provide direction to staff and HQE.
Attachment A - PS_SIR_250512_HQE_ProposedSirensExpansionSitesMapV2.pdf
Attachment B - PS_SIR_250512_HQE_Estimate_System Expansion.pdf
CL_AGN_250512_CC_Item13C_HQE_Email_Redacted.pdf

14. MATTERS FROM THE CITY COUNCIL

14.A. RECEIVE AND FILE A VERBAL UPDATE FROM THE SOLID WASTE & RECYCLING AD HOC COMMITTEE
RECOMMENDATION: Receive and file.

15. MATTERS FROM STAFF

15.A. RECEIVE AND FILE A VERBAL UPDATE ON THE STATUS OF THE CITY HALL CAMPUS BACKUP GENERATOR
RECOMMENDATION: Receive and file.

15.B. DECLARE A VACANCY ON THE TRAFFIC COMMISSION AND DIRECT STAFF TO PUBLICLY NOTICE THE OPENING
RECOMMENDATION: Declare a vacancy on the Traffic Commission and direct staff to publicly notice a vacancy for the Traffic Commission.

15.C. LETTER FOR RESIDENTS TO PROVIDE TO INSURANCE PROVIDERS REGARDING FIRE RISK AND MITIGATION
RECOMMENDATION: Consideration and possible action to authorize the City Mayor to work with staff in drafting a letter for Rolling Hills residents to provide to their fire insurance providers.
CL_AGN_250512_CC_Item15C_LetterForInsurance_Draft.pdf

16. RECESS TO CLOSED SESSION

16.A. 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. (3 CASES) A. NAME OF CASE: CONNIE ANDERSEN, ET AL. V. CALIFORNIA WATER COMPANY, ET AL. (SEAVIEW CASE) CASE NO.: 24STCV20953 B. NAME OF CASE: CITY OF ROLLING HILLS V. SCE CPUC DOCKET NO. C.24-10-008 C. NAME OF CASE: CITY OF ROLLING HILLS V. SOCALGAS CPUC DOCKET NO. C.24-10-009
RECOMMENDATION: None.

16.B. CONFERENCE WITH LEGAL COUNSEL - INITIATION OF 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. (1 CASE) RECOMMENDATION: NONE
RECOMMENDATION: None.

16.C. CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION A CLOSED SESSION WILL BE HELD, PURSUANT TO GOVERNMENT CODE SECTION 54956.9(C) AND (D)(4) REGARDING THE DECISION OF WHETHER TO INITIATE LITIGATION (1 CASE)RECOMMENDATION: NONE
RECOMMENDATION: None.

17. RECONVENE TO OPEN SESSION

18. ADJOURNMENT
Next regular meeting: Wednesday, May 28, 2025 at 7:00 p.m. in the City Council Chamber, Rolling Hills City Hall, 2 Portuguese Bend Road, Rolling Hills, California, 90274.

Notice:

Public Comment is welcome on any item prior to City Council action on the item.

Documents pertaining to an agenda item received after the posting of the agenda are available for review in the City Clerk's office or at the meeting at which the item will be considered.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting due to your disability, please contact the City Clerk at (310) 377-1521 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility and accommodation for your review of this agenda and attendance at this meeting.

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 6.A
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: FOR BLUE FOLDER DOCUMENTS APPROVED AT THE CITY COUNCIL MEETING

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approved.

ATTACHMENTS:
CL_AGN_250512_CC_Item15C.pdf

BLUE FOLDER ITEM (SUPPLEMENTAL)

Blue folder (supplemental) items are additional back up materials to administrative reports, changes to the posted agenda packet, and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING
May 12, 2025

15C. LETTER FOR RESIDENTS TO PROVIDE TO INSURANCE PROVIDERS REGARDING FIRE RISK AND MITIGATION
FROM: CHRISTIAN HORVATH, CITY CLERK/EXECUTIVE ASSISTANT TO THE CITY MANAGER

CL_AGN_250512_CC_Item15C.pdf

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.A
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL REGULAR MEETING OF MAY 12, 2025

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve.

ATTACHMENTS:
CL_AGN_250512_CC_AffidavitofPosting.pdf

Administrative Report

8.A., **File #** 2777 **Meeting Date**: 5/12/2025

To: **MAYOR & CITY COUNCIL**

From: Christian Horvath, City Clerk

TITLE
APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED REGULAR MEETING OF MAY 12, 2025

EXECUTIVE SUMMARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF ROLLING HILLS)

AFFIDAVIT OF POSTING

In compliance with the Brown Act, the following materials have been posted at the locations below.

Legislative Body	City Council
Posting Type	Regular Meeting Agenda
Posting Location	2 Portuguese Bend Road, Rolling Hills, CA 90274 City Hall Window City Website: https://www.rolling-hills.org/government/agenda/index.php https://www.rolling-hills.org/government/city_council/city_council_archive_agendas/index.php
Meeting Date & Time	MAY 12, 2025 7:00pm Open Session

As City Clerk of the City of Rolling Hills, I declare under penalty of perjury, the document noted above was posted at the date displayed below.

Christian Horvath, City Clerk

Date: May 9, 2025

Agenda Item No.: 8.B
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.C
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE THE FOLLOWING MINUTES OF APRIL 28, 2025: FINANCE/BUDGET/AUDIT COMMITTEE SPECIAL MEETING AND CITY COUNCIL REGULAR MEETING

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
CL_MIN_250428_FBA_F.pdf
CL_MIN_250428_CC_F.pdf

Minutes
Rolling Hills Finance/Budget/Audit Committee
Monday, April 28, 2025
Special Meeting 6:00 p.m.

CALL TO ORDER
The Finance/Budget/Audit Committee of the City of Rolling Hills met in person on the above date at 6:02 p.m.

ROLL CALL

Members Present:	Black, Mayor Pieper
Members Absent:	None
Staff Present:	Karina Bañales, City Manager Robert Samario, Finance Operations Lead Consultant Christian Horvath, City Clerk / Executive Assistant to the City Manager

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT ON NON-AGENDA ITEMS – NONE

4. CONSENT CALENDAR

4.A. APPROVE AFFIDAVIT OF POSTING FOR THE SPECIAL FINANCE/BUDGET/AUDIT COMMITTEE MEETING OF APRIL 28, 2025

Motion by Councilmember Black, seconded by Mayor Pieper to approve Consent Calendar. Motion carried unanimously with the following vote:

AYES: Black, Mayor Pieper
NOES: None
ABSENT: None

5. DISCUSSION ITEMS

5.A. RECEIVE AND FILE FISCAL YEAR 2025/2026 PROPOSED GENERAL FUND REVENUE PROJECTIONS AND EXPENDITURES BY DEPARTMENT

Presentation by Finance Operations Lead Consultant Samario

Motion by Mayor Pieper, seconded by Councilmember Black to receive and file. Motion carried unanimously with the following vote:

AYES: Black, Mayor Pieper
NOES: None
ABSENT: None

6. ITEMS FROM THE FINANCE BUDGET AUDIT COMMITTEE – NONE

7. ITEMS FROM STAFF – NONE

8. ADJOURNMENT: 6:40 P.M.

The meeting was adjourned at 6:40 p.m on April 28, 2025. The next regular meeting of the Finance/Budget/Audit Committee is to be determined beginning at 6:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California. It will also be available via City's website link at: https://www.rolling-hills.org/government/agenda/index.php

All written comments submitted are included in the record and available for public review on the City website.

Respectfully submitted,

____
Christian Horvath, City Clerk

Approved,

____
Jeff Pieper, Mayor

Minutes
Rolling Hills City Council
Monday, April 28, 2025
Regular Meeting 7:00 p.m.

1. CALL TO ORDER

The City Council of the City of Rolling Hills met in person on the above date at 7:00 p.m. Mayor Pieper presiding.

2. ROLL CALL

Councilmembers Present:	Mirsch, Wilson, Black, Dieringer, Mayor Pieper
Councilmembers Absent:	None
Staff Present:	Karina Bañales, City Manager Christian Horvath, City Clerk / Executive Assistant to the City Manager Robert Samario, Finance Operations Lead Consultant Pat Donegan, City Attorney

3. PLEDGE OF ALLEGIANCE – City Attorney Donegan

4. PRESENTATIONS / PROCLAMATIONS / ANNOUNCEMENTS – NONE

5. APPROVE ORDER OF THE AGENDA

Staff recommended pulling Item 13C from consideration on this Agenda.

Motion by Councilmember Mirsch, seconded by Councilmember Black to approve the order of the agenda with Item 13C removed. Motion carried unanimously with the following vote:

AYES:	Mirsch, Wilson, Black, Dieringer, Mayor Pieper
NOES:	None
ABSENT:	None

6. BLUE FOLDER ITEMS (SUPPLEMENTAL)

Motion by Councilmember Mirsch, seconded by Councilmember Black to receive and file Blue Folder Item 13B. Motion carried unanimously with the following vote:

AYES:	Mirsch, Wilson, Black, Dieringer, Mayor Pieper
NOES:	None
ABSENT:	None

7. PUBLIC COMMENT ON NON-AGENDA ITEMS – NONE

8. CONSENT CALENDAR

8.A. APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL REGULAR MEETING OF APRIL 28, 2025

8.B. APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA

8.C. APPROVE THE FOLLOWING CITY COUNCIL MINUTES: APRIL 14, 2025 REGULAR MEETING

8.D. PAYMENT OF BILLS

8.E. REPUBLIC SERVICES RECYCLING TONNAGE AND COMPLAINT REPORTS FOR MARCH 2025

8.F. ADOPT RESOLUTION NO. 1388 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ADOPTING THE GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF ROLLING HILLS AND THE COUNTY OF LOS ANGELES AND APPROVE RENEWAL OF LOS ANGELES COUNTY GENERAL SERVICES AGREEMENT

8.G. APPROVE PROPOSED CONTRACT UPDATES WITH THE LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

8.H. APPROVE A LETTER TO THE LOS ANGELES COUNTY BOARD OF SUPERVISORS REQUESTING ACTION REGARDING THE LOS ANGELES COUNTY SHERIFF DEPARTMENT'S STAFFING AND HIRING SHORTFALLS

Motion by Councilmember Black, seconded by Councilmember Mirsch to approve the Consent Calendar. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Black, Dieringer, Mayor Pieper
NOES: None
ABSENT: None

9. EXCLUDED CONSENT CALENDAR ITEMS – NONE

10. COMMISSION ITEMS – NONE

11. PUBLIC HEARINGS – NONE

12. OLD BUSINESS – NONE

13. NEW BUSINESS

13.A. RECEIVE AND FILE THE CITY OF ROLLING HILLS AUDITED ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Presentation by Finance Operations Lead Consultant Samario

Motion by Councilmember Mirsch, seconded by Councilmember Wilson to receive and file. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Black, Dieringer, Mayor Pieper
NOES: None
ABSENT: None

13.B. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH VASQUEZ AND COMPANY TO PROVIDE AUDIT SERVICES FOR THE THREE FISCAL YEARS ENDING JUNE 30, 2025, JUNE 30, 2026, AND JUNE 30, 2027 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

Presentation by Finance Operations Lead Consultant Samario

Motion by Councilmember Mirsch, seconded by Councilmember Black directing staff to continue the item, ask the City's current audit provider to prepare a proposal as timely as possible, and return to the City Council at the next meeting or as soon thereafter. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Black, Dieringer, Mayor Pieper
NOES: None
ABSENT: None

13.C. RECIEVE AND FILE AN UPDATE ON POTENTIAL ADDITIONAL LOCATIONS FOR THE OUTDOOR EMERGENCY SIREN SYSTEM TO IMPROVE AND ENSURE CITYWIDE COVERAGE

Item was pulled from Consideration.

14. MATTERS FROM THE CITY COUNCIL – NONE

15. MATTERS FROM STAFF

15.A. DISCUSS THE CITY HALL ADA IMPROVEMENT PROJECT REMAINING OPTIONS AS PRESENTED ON MARCH 24, 2025 AND PROVIDE DIRECTION FOR STAFF

Presentation by City Clerk / Executive Assistant to the City Manager Horvath

Public Comment: Melissa McNabb

Motion by Mayor Pieper, seconded by Councilmember Wilson to move forward with finalizing Los Angeles County Building & Safety plan check process and accept receipt of stamped plans if less than a cost of $2,000; If costs are more than $2,000, return to City Council for further direction. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Black, Dieringer, Mayor Pieper
NOES: None
ABSENT: None

15.B. RECEIVE AND FILE CODE ENFORCEMENT QUARTERLY REPORT FOR THE FIRST QUARTER OF 2025 (JANUARY 1 TO MARCH 31)

Presentation by City Manager Bañales

Motion by Councilmember Black, seconded by Councilmember Wilson to receive and file. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Black, Dieringer, Mayor Pieper
NOES: None
ABSENT: None

16. RECESS TO CLOSED SESSION – 8:09 P.M.

16.A. CONFERENCE WITH LABOR NEGOTIATOR: GOVERNMENT CODE SECTION 54957.6
CITY NEGOTIATOR: MAYOR PIEPER
UNREPRESENTED EMPLOYEE: CITY MANAGER

16.B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: PURSUANT TO GOVERNMENT CODE SECTION 54957 TITLE: CITY ATTORNEY

16.C. PUBLIC EMPLOYEE APPOINTMENT: GOVERNMENT CODE SECTION 54957 TITLE: CITY ATTORNEY

16.D. 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. (3 CASES)
A. NAME OF CASE: CONNIE ANDERSEN, ET AL. V. CALIFORNIA WATER COMPANY, ET AL. (SEAVIEW CASE) CASE NO.: 24STCV20953
B. NAME OF CASE: CITY OF ROLLING HILLS V. SCE CPUC DOCKET NO. C.24-10-008
C. NAME OF CASE: CITY OF ROLLING HILLS V. SOCALGAS CPUC DOCKET NO. C.24-10-009

16.E. CONFERENCE WITH LEGAL COUNSEL - INITIATION OF 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. (1 CASE) RECOMMENDATION: NONE

17. RECONVENE TO OPEN SESSION – 8:49 P.M.

18. ADJOURNMENT: 8:49 P.M.

The meeting was adjourned at 8:49 p.m. on April 28, 2025. The next regular meeting of the City Council is scheduled to be held on Monday, May 12, 2025 beginning at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California. It will also be available via City's website link at: https://www.rolling-hills.org/government/agenda/index.php

All written comments submitted are included in the record and available for public review on the City website.

Respectfully submitted,

____
Christian Horvath, City Clerk

Approved,

____
Jeff Pieper, Mayor

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.D
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: PAYMENT OF BILLS

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
CL_AGN_250512_CC_PaymentOfBills_E.pdf

CITY OF ROLLING HILLS
AP25-020, ACH25-020
Check Run 05/12/2025

Check No.	Check Date	Payee	Description	Amount
028920	5/7/2025	Alan Palermo Consulting	April 2025 Svcs - ADA, Tennis Cts, Sewer, Eastfield	2,310.00
028921	5/7/2025	Christian Horvath	Reimbursement of Mileage for Period 01/13/25 to	404.74
028922	5/7/2025	Cox Communications	Phone Service April 26 to May 25, 2025	94.10
028923	5/7/2025	Southern California News Group	Pub Notice-3rd Bid for Tennis Court ADA	475.53
028923	5/7/2025	Southern California News Group	Pub Notice-Council Ordinance 386	618.92
CHECK TOTAL			**$ 1,094.45**	
028924	5/7/2025	Granicus LLC	20 Day Extension-Closeout	468.50
028925	5/7/2025	County of Los Angeles	March 2025 Animal Care & Control Costs	75.69
028926	5/7/2025	County of Los Angeles	Building & Safety Services for February 2025	13,442.39
028927	5/7/2025	County of Los Angeles	Traffic Signage for Crest Rd East Emergency Gate	705.87
028928	5/7/2025	Orkin	April 2025 Monthly Pest Control	187.00
028929	5/7/2025	Race Communications	May 2025 Communications Fiber	1,020.00
028930	5/7/2025	Total Compensation Sys, Inc.	GASB75 Valuation	1,530.00
028931	5/7/2025	Willdan Inc.	March 2025 Bldg Plan Check/Permit-Project	3,212.50
ACH-834	5/7/2025	Bennett Landscape	Landscape Maintenance Services for May 2025	1,020.00
ACH-835	4/15/2025	CalPERS	PERS Retirement Payroll Ending 04-15-25	3,137.64
ACH-836	5/1/2025	Delta Dental	Dental Coverage for May 2025	873.47
ACH-837	5/1/2025	Nextiva	Business Phone Service for May 2025	289.28
ACH-838	4/30/2025	Pacific Premier Bank / FNBO	Pacific Prem Cred Card Stmt for April 2025 Acct#0306	249.73
ACH-839	4/30/2025	Pacific Premier Bank / FNBO	Pacific Prem Cred Card Stmt for April 2025 Acct#1746	393.60
ACH-840	4/25/2025	Robert Half	Temp Admin Staff P/E 04-25-25	564.14
ACH-841	5/2/2025	Robert Half	Temp Admin Staff P/E 05-02-25	547.04
ACH-842	5/1/2025	Standard Insurance Company	May 2025 Life Insurance Policy #161783 Div 0001	205.79
ACH-843	4/15/2025	Vantagepoint Transfer Agents -	Deferred Comp Contributions P/E 04-15-25	1,091.17

ACH-844	5/1/2025	Vision Service Plan - (CA)	Vision Coverage for May 2025	132.19
PR LINK	5/2/2025	PR LINK - Payroll & PR Taxes PR9	Payroll Processing Fee PR#9_04/16/25 - 05/02/25	73.30
PR LINK	5/2/2025	PR LINK - Payroll & PR Taxes PR9	Pay Period PR#9_04/16/25 - 05/02/25	16,964.87
				50,087.46

I, Karina Banales, City Manager of Rolling Hills, California certify that the above demands are accurate and there is available in the General Fund a balance of
$ 50,087.46 for the payment of above items.

Karina Banales, City Manager

Agenda Item No.: 8.E
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: ADOPT RESOLUTION NO. 1389, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS APPOINTING NICOLAS PAPAJOHN AS CITY ATTORNEY; AND AUTHORIZE THE CITY MANAGER TO EXECUTE ANY DOCUMENTS NECESSARY TO IMPLEMENT THE APPOINTMENT

DATE: May 12, 2025

BACKGROUND:
The City Attorney is appointed by the City Council and provides legal advice to the City. The City contracts with the law firm Best Best & Krieger, LLP (BBK) to provide legal services.

DISCUSSION:
BBK City Attorney Patrick Donegan has departed for an opportunity to serve in-house as an Assistant City Attorney with the City of Laguna Beach and recommended the appointment of Nicolas Papajohn, also from BBK as the new City Attorney.

Mr. Papajohn is a member of BBK's Municipal Law practice group. He advises cities and other public agencies on a wide variety of municipal law issues, including Land Use, Planning & Zoning, the Brown Act, the Public Records Act, and the Political Reform Act. Nick enjoys working with public clients on a daily basis and helping them navigate complex and ever-evolving legal issues impacting local government.

Nick has dedicated his entire legal career to representing public agencies. Prior to joining BBK, Nick was a senior associate at a California-based municipal law firm, where he represented cities and special districts throughout the State. He also gained valuable experience previously working in-house as legal counsel for an Orange County public agency.

Born and raised in Orange County, Nick and his wife live in Irvine with their daughters. In his spare time, Nick enjoys woodworking, stand-up paddleboarding, and movie nights with his family.

FISCAL IMPACT:
None

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
ResolutionNo1389_CityAttorneyAppointmnt_NicolasPapajohn_F.pdf
CA_AGR_250512_BBK_Amendment04_F.pdf

RESOLUTION NO. 1389

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, APPOINTING NICOLAS PAPAJOHN AS CITY ATTORNEY

THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, CALIFORNIA, RESOLVES AS FOLLOWS

SECTION 1**.** The City Council finds as follows:

A. Michael Jenkins was appointed as the City Attorney by the City Council in 1982.

B. In 2018, Mr. Jenkin's then law firm Jenkins & Hogin, LLP merged with Best Best & Krieger, LLP ("BBK"), and with the City's consent, BBK began providing City Attorney services to the City.

C. As Mr. Jenkins sought to retire and maintain an emeritus role with BBK, the City Council appointed Patrick Donegan of BBK as City Attorney in December of 2022.

D. In April of 2025, Mr. Donegan departed from BBK to take an opportunity to serve in-house as an Assistant City Attorney for the City of Laguna Beach.

E. The City Council desires to continue utilizing the legal services of BBK and appoint Nicolas Papajohn of BBK as City Attorney in Mr. Donegan's stead.

SECTION 2. The foregoing recitals are true and correct and incorporated herein by this reference.

SECTION 3. Nicolas Papajohn is hereby appointed City Attorney for the City of Rolling Hills.

SECTION 4. That all previous Resolutions appointing the City Attorney are hereby repealed.

SECTION 5. This Resolution shall take effect immediately upon its passage.

SECTION 6. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

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PASSED, APPROVED, AND ADOPTED this 12th day of May, 2025

MAYOR
JEFF PIEPER

ATTEST:

CHRISTIAN HORVATH
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §§
CITY OF ROLLING HILLS)

The foregoing Resolution No. 1389 entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, APPOINTING NICOLAS PAPAJOHN AS CITY ATTORNEY

was approved and adopted at a regular meeting of the City Council on the 12th day of May, 2025, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHRISTIAN HORVATH
CITY CLERK

AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

This Amendment to Agreement for Legal Services ("Amendment") is entered into by and between the City Rolling Hills, a municipal corporation ("Rolling Hills") and the law firm of Best Best & Krieger, LLP ("BBK") as of May 12, 2025.

RECITALS

A. Rolling Hills and Jenkins & Hogin LLP ("J&H") entered into an Agreement for Legal Services ("Agreement") as of March 1, 2001, by the terms of which J&H was engaged as an independent contractor to perform city attorney services and Michael Jenkins was designated as the City Attorney.

B. The Agreement was assigned to the law firm of Best Best & Krieger as of April 1, 2018.

C. The City Council appointed Patrick T. Donegan as City Attorney to succeed Michael Jenkins in closed session at its adjourned regular meeting of November 29, 2022 and authorized the City Manager to execute a corresponding amendment to the Agreement designating Patrick T. Donegan as City Attorney on December 13, 2022.

D. The City Council appointed Nicolas Papajohn as City Attorney to succeed Patrick Donegan in closed session at its adjourned regular meeting of April 28, 2025 and authorized the City Manager to execute a corresponding amendment to the Agreement designating Nicolas Papajohn as City Attorney.

NOW, THEREFORE, in consideration of the foregoing, the Agreement is amended as follows:

1. Section 2 of the Agreement entitled "Designation of City Attorney" is amended in its entirety to read as follows:

"Nicolas Papajohn is designated as City Attorney for the City. The City Council may change the designation of City Attorney at any time without amendment to this Agreement. The parties understand and agree that BBK may, from time to time, utilize other attorneys within the firm to assist the designated City Attorney in the performance of this Agreement."

Except as above modified, in all other respects the Agreement, as previously amended, is hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Agreement for Legal Services to be executed as of the day and year first above written.

BEST BEST & KRIEGER, LLP

____

CITY OF ROLLING HILLS

By ___________________________
KARINA BAÑALES
CITY MANAGER

ATTEST:

____
CHRISTIAN HORVATH
CITY CLERK

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 13.A
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ROBERT SAMARIO, FINANCE DIRECTOR

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: FISCAL YEAR 2025/26 PROPOSED BUDGET INCLUDING FINANCE, BUDGET, AND AUDIT COMMITTEE RECOMMENDATIONS

DATE: May 12, 2025

BACKGROUND:
Over the last few months, the City of Rolling Hills has been working on developing the proposed budget for fiscal year 2025/26. On April 14, 2025, staff presented an overview of the proposed General Fund expenditure budget for fiscal year 2025/26. As recommended by staff, the Council approved forwarding the item to the FBA Committee for a more detailed discussion of staff's proposed expenditures.

Pursuant to the Council-approved budget calendar, the FBA Committee convened on April 28, 2025, to review the most recent General Fund proposed expenditure budget, including staff-recommended adjustments to certain line-item accounts relative to the current year budget.

Staff will be presenting the FBA Committee's recommendations for Council consideration.

DISCUSSION:
Update to General Fund Revenues (Attachment A)

On March 10, 2025, Staff presented preliminary General Fund revenue projections for the next fiscal year. Since then, staff analyzed key revenues based on additional revenues received through March 31, 2025, to determine if an adjustment to the projections is warranted. Although all revenues will continue to be monitored, staff recommends lowering the overall General Fund revenue projections by $49,286. This is essentially due to a reduction of approximately $59,000 to projections for property taxes based on revenues received through March 31, 2025. As such, total Fiscal Year 2025/26 projected revenues are now $2,679,259.

Adjustments to Baseline Budget for Salaries & Benefits

The City's Employee Handbook and Personnel Policy Manual provides for an increase to salaries of up to 3.5% based on the CPI. Actual CPI exceeded the 3.5% and thus staff added these increases to the budgeted costs. It also includes a 3% merit increase and a 1.5% one-time bonus. Note that in previous fiscal years, staff included a 5% merit increase provision; however, this was reduced to 3% based on the actual merit increases in prior years.

Staff also adjusted the amounts budgeted for the various benefits provided to City employees, including health insurance, social security, and CalPERS pension contributions, based on new rates and changes to personnel. Overall, benefits increased by approximately $24,000; however, the amount budgeted in fiscal year 2024-25 for Group Insurance was understated by approximately $11,000.

Proposed Changes to Status Quo Expenditures (Attachment B)

Since the March 10, 2025, City Council meeting where preliminary revenue and expenditure projections were presented, staff has analyzed each line-item expenditure account and developed a "proposed" budget for the next fiscal year. The proposed budget reflects many adjustments to line items based on a continuing analysis and increased understanding of costs, with some accounts increasing and some decreasing from the baseline budget for next fiscal year. In total, however, expenditures are $8,203 lower than the baseline budget. Highlights of the changes are provided below.

01-890 Consulting Fees (Project Management) - This account was reduced by $25,000 to reflect the fact that most of the project management costs are charged directly to the appropriate capital project in the CIP Fund.

05-810 Annual Audit - This account was increased by $9,000 based on the pending contract approval with a new auditor. However, this may be impacted by Council's decision on the audit contract to be heard at this meeting.

15-890 - On Call Inspection Services - Reduced by $7,500 to align with updated projections.

25-830 - Law Enforcement - Staff added $15,750 to this account based on a notice from L.A. County Sheriff that their contract will increase by 4.39%.

25-837 - Wildlife Mitigation & Pest Control - Reduced by $10,000 due to the contractor for coyote services going out of business.

65-895 - Insurance - Increased by $15,000 based on the expected, what appears to be an underestimated, FY 24-25 budget, and an expected increase in insurance premiums.

65-917 - Emergency Preparedness - Reduced by $8,000 based on expected costs next fiscal year.

75-892 - IT Services - Increased by $9,000 due to an increase in fees from the IT service provider. Based on comments and questions about this from the FAB Committee, staff have reached out to Forum and will be meeting later this month to discuss. Staff will make any potential revisions to the final budget presented on June 9, 2025.

75-932 - Area Management - Reduced by $7,860 to align the budget with the agreement.

Updated General Fund Balancing (Attachment C)

Based on the updated revenue projections and the proposed expenditures, the General Fund is projected to have a budgeted operating surplus of 59,264. Note that no provision has been made for any potential capital projects, which would be funded from reserves.

Review by the FBA Committee

Staff presented the same schedules to the FBA Committee on April 28, 2025. The FBA Committee did not recommend any adjustments; however, they asked staff to provide more details on certain accounts. These are provided below.

1. ***Account Numbers 01-716 and 15-716 (Group Insurance)*** . Based on further analysis based on the Committee's request, we determined that the proposed amounts were inaccurate and have been corrected. As adjusted, the increase in Group Insurance for Administration (01-716) of $9,546 is due to several factors: (1) a change by the Management Analyst to a more expense plan, of which the City covers the majority, resulting in an increased cost of $6,316; (2) the updated projected cost for the Administrative Assistant for FY 2024-25 was based on a single person because the position was vacant. It was filled by employee with a family, which increased the cost by $10,900; (3) an increase to premiums of almost $4,000. Note that the budgeted increase was only $9,546 because the current budget was overstated by approximately $11,000. Although the costs for Group Insurance for Planning (15-716) are expected to increase slightly next, the current year budget is overstated leading to a budget reduction of $5,130.
2. ***Account 15-750 - Dues and Subscriptions.*** The increase of $5,620 covers the subscription cost of a GIS System. This was previously provided by L.A. County, but they have discontinued the service. Staff is working with vendors on new pricing, but is currently using the previous 2-year subscription amount until finalized. This account, which now totals $17,290, includes: $2,340 for Bluebeam Studio Prime Plan Review System, $7,250 for iWorQ used for permit tracking and payment processing, $1,250 for potentially integrating Bluebeam with iWorQ, and $1,500 for professional association dues. Staff is also computing cost structures for Bluebeam integration and will finalize in the coming weeks, which may actually be lower than projected.
3. ***Account 75-892 - IT Services.*** This account is where we account for contracted information technology services provided by Forum. We have been averaging $5,950 per month for their services, which includes a rate increase effective January 1, 2025. The $ 5,750 equates to $71,500 on an annualized basis. Thus, staff proposed increasing the budget by $9,000 to $72,000.

FISCAL IMPACT:
None.

RECOMMENDATION:
Receive, consider, and provide direction to staff regarding the Finance Committee's recommended adjustments to the proposed fiscal year 2025/26 General Fund expenditures.

ATTACHMENTS:
Attachment A - CL_AGN_250512_CC_GeneralFundBalancing_Summary.pdf
Attachment B - CL_AGN_250512_CC_Proposed_GeneralFund_Revenues.pdf
Attachment C - CL_AGN_250512_CC_Proposed_FY25-26_GeneralFund_Expenditures.pdf

CL_AGN_250512_CC_PowerPoint_Presentation.pdf

CITY OF ROLLINGS HILLS
Fiscal Year 2025-26 Updated Balancing
General Fund

	FY 2024-25			FY 2025-26
	Adopted Budget	Amended Budget	Prelim Projections	Proposed Budget
Operating Revenues	$ 2,596,685	$ 2,596,685	$ 2,715,321	$ 2,679,259
Operating Expenditures	2,576,708	2,623,299	2,455,198	2,619,635
Operating Surplus (Deficit)	19,977	(26,614)	260,123	59,624
Capital Transfers	-	825,881	250,000	-
Surplus (Deficit) - Total	$ 19,977	$ (852,495)	$ 10,123	$ 59,624

CITY OF ROLLING HILLS
FY 2025-26 Updated Revenue Projections
General Fund

	Adopted Budget	Preliminary Projections FY 2024-25	Updated Projections FY 2024-25	Preliminary Projections FY 2025-26	Updated Projected FY 2025-26
401 Property Taxes	$ 1,500,750	$ 1,500,750	$ 1,443,744	$ 1,560,780	$ 1,501,494
405 Sales Taxes	10,000	15,000	15,000	15,000	15,000
410 Property Transfer Tax	64,890	60,000	60,000	62,400	62,400
415 Other Taxes	1,000	-	-	-	-
420 Motor Vehicle In Lieu	280,545	284,574	284,574	290,265	290,265
440 Building & Other Permits	400,000	450,000	450,000	450,000	450,000
441 C&D Permits	10,000	10,000	10,000	10,000	10,000
450 Variance, Planning & Zoning	25,000	30,000	30,000	30,000	30,000
455 Animal Control Fees	300	300	300	300	300
460 Franchise Fees	13,000	13,000	13,000	13,000	13,000
480 Fines & Traffic Violations 482	4,000	4,000	4,000	4,000	4,000
Cost Recovery - Publications 600	3,000	3,000	3,000	3,000	3,000
RHCA Lease Revenue	69,000	69,000	69,000	69,000	69,000
650 Public Safety Aug Fund	1,200	1,800	1,800	1,800	1,800
670 Interest on Investments	140,000	160,000	160,000	150,000	160,000
671 PARS Earnings	44,000	40,000	40,000	44,000	44,000
675 Miscellaneous Revenue	6,000	-	1,000	-	1,000
699 Transfers In - Refuse Fund	24,000	24,000	24,000	24,000	24,000
TOTALS	$ 2,596,685	$ 2,666,424	$ 2,609,418	$ 2,728,545	$ 2,679,259

CITY OF ROLLING HILLS
FY 2025-26 Proposed Expenditure Budget
GENERAL FUND

Department/Object Account		FY 2025-26 Status Quo Budget	Adjust-ments	Baseline Budget	Staff Proposed Budget	Increase (Decrease)
01 - CITY ADMINISTRATOR						
702	Salaries -Full Time	$ 446,916	$ 6,946	$ 453,862	$ 453,862	$ -
705	Temporary Salaries	7,000	-	7,000	7,000	-
710	Retirement CalPERS-Employer	35,159	2,045	37,204	37,204	-
712	CalPERS Unfunded Liability	-	-	-	-	-
715	Workers Compensation Insurance	9,100	-	9,100	9,100	-
716	Group Insurance	82,490	9,546	92,036	92,036	-
717	Retiree Medical	37,500	2,500	40,000	40,000	-
718	Employer Payroll Taxes	33,821	1,488	35,309	35,309	-
719	Deferred Compensation	2,239	1,902	4,141	4,141	-
720	Auto Allowance	3,600	-	3,600	3,600	-
721	Phone Allowance	2,400	-	2,400	2,400	-
740	Office Supplies	13,000	-	13,000	8,000	(5,000)
745	Equipment Leasing Costs	11,000	-	11,000	10,000	(1,000)
750	Dues & Subscriptions	14,000	-	14,000	14,822	822
755	Conference Expense	2,000	-	2,000	1,500	(500)
757	Meetings Expense	2,300	-	2,300	2,100	(200)
759	Training & Education	5,000	-	5,000	4,000	(1,000)
761	Auto Mileage	500	-	500	700	200

Department/Object Account		FY 2025-26 Status Quo Budget	Adjust-ments	Baseline Budget	Staff Proposed Budget	Increase (Decrease)
765	Postage	19,500	-	19,500	18,500	(1,000)
775	City Council Expense	5,000	-	5,000	7,500	2,500
776	Miscellaneous Expenses	3,000	-	3,000	1,500	(1,500)
780	Comm./Newsletters & Outreach	2,500	-	2,500	3,500	1,000
785	Codification	2,400	-	2,400	3,000	600
790	Advertising	2,400	-	2,400	2,000	(400)
795	Other Gen Admin Expense	3,300	-	3,300	3,300	-
801	City Attorney	75,000	15,000	90,000	90,000	-
802	Legal Expense - Other	3,000	-	3,000	3,000	-
803	Legal & Other Outside Legal	-	-	-	-	-
804	Legal Expense -CPUC	-	-	-	-	-
820	Website	6,000	-	6,000	3,900	(2,100)
850	Election Expense City Council	15,000	(15,000)	-	-	-
890	Consulting Fees	35,000	-	35,000	10,000	(25,000)
891	Records Management	1,700	-	1,700	3,900	2,200
	Total City Administrator	**881,825**	**24,427**	**906,252**	**875,874**	**(30,378)**

Department/Object Account		FY 2025-26 Status Quo Budget	Adjust-ments	Baseline Budget	Staff Proposed Budget	Increase (Decrease)
05 - Finance						
750	Dues & Subscriptions	4,500	-	4,500	4,500	-
810	Annual Audit	35,000	-	35,000	44,000	9,000
890	Consulting Fees	120,000	-	120,000	120,500	500
	Total Finance	**159,500**	**-**	**159,500**	**169,000**	**9,500**
15- PLANNING & DEVELOPMENT						
702	Salaries	229,464	3,056	232,520	232,520	-
703	Salaries - Part-Time	26,587	302	26,889	26,889	-
710	Retirement CalPERS-Employer	17,726	1,508	19,234	19,234	-
715	Workers Comp. Insurance	3,900	-	3,900	3,900	-
716	Group Insurance	48,107	(5,130)	42,977	42,977	-
718	Employer Payroll Taxes	19,310	690	20,000	20,000	-
719	Deferred Comp	4,681	-	4,681	4,681	-
720	Auto Allowance	1,200	-	1,200	1,200	-
721	Phone Allowance	600	-	600	600	-
761	Auto Mileage	300	-	300	300	-
750	Dues & Subscription	11,670	-	11,670	17,290	5,620
755	Conference Expense	2,000	-	2,000	3,000	1,000
759	Training & Education	1,000	-	1,000	1,000	-
776	Miscellaneous Expenses	2,000	-	2,000	2,000	-

	Department/Object Account	FY 2025-26 Status Quo Budget	Adjust-ments	Baseline Budget	Staff Proposed Budget	Increase (Decrease)
790	Publication/Advertising/Noticing	10,000	-	10,000	10,000	-
802	Legal Expenses-Other	10,000	-	10,000	10,000	-
872	Property Development-Legal Exp	37,000	-	37,000	37,000	-
875	Willdan Building	45,000	-	45,000	45,000	-
878	Build Inspect. LA County	250,000	-	250,000	250,000	-
881	Storm Water Management	90,990	-	90,990	88,000	(2,990)
884	Special Project Study & Consult.	5,000	-	5,000	5,000	-
886	Code Enforcement	62,880	-	62,880	62,880	-
890	Consulting Fees (Onward)	15,000	-	15,000	7,500	(7,500)
928	Traffic Engineering	5,645	-	5,645	6,000	355
	Total Planning & Development	**900,060**	**426**	**900,486**	**896,971**	**(3,515)**
						-
25 - Public Safety						-
830	Law Enforcement	293,000	-	293,000	308,750	15,750
833	Other Law Enforcement Exp	4,000	4,000	8,000	2,400	(5,600)
837	Wild Life Mgmt & Pest Control	20,000	-	20,000	10,000	(10,000)
838	Animal Control Expense	6,000	-	6,000	6,500	500
	Total Public Safety	**323,000**	**4,000**	**327,000**	**327,650**	**650**
						-
65 - NON-DEPARTMENTAL						-
895	Insurance & Bond Expense	40,000	-	40,000	55,000	15,000

	Department/Object Account	FY 2025-26 Status Quo Budget	Adjust-ments	Baseline Budget	Staff Proposed Budget	Increase (Decrease)
901	South Bay Comm. Organization	17,600	-	17,600	17,600	-
915	Community Recognition	8,000	-	8,000	8,000	-
917	Emergency Preparedness	77,000	-	77,000	69,000	(8,000)
	Total Non-Departmental	**142,600**	**-**	**142,600**	**149,600**	**7,000**
	75 - CITY PROPERTIES					
892	IT Services	63,000	-	63,000	72,000	9,000
893	Granicus Services	8,300	-	8,300	6,600	(1,700)
894	Computer Hardware Fund	5,000	-	5,000	5,000	-
925	Utilities	60,000	-	60,000	65,000	5,000
930	Repairs & Maintenance	19,100	-	19,100	21,200	2,100
932	Area Landscaping	21,600	-	21,600	13,740	(7,860)
932	Landscaping Project	-	-	-	-	-
946	Buildings & Equipment	15,000	-	15,000	15,000	-
947	Non-Building Improvements	-	-	-	2,000	2,000
	Total City Properties	**192,000**	**-**	**192,000**	**200,540**	**8,540**
	TOTAL OPERATING EXPENDITURES	**$ 2,598,985**	**$ 28,853**	**$ 2,627,838**	**$ 2,619,635**	**$ (8,203)**

CITY OF ROLLING HILLS

UPDATED REVENUE PROJECTIONS AND

PROPOSED EXPENDITURES

FISCAL YEAR 2025/26

Purpose of Report

- To briefly provide updated revenue projections for FY 2025/26
- To provide line-item details of proposed General Fund expenditures for FY 2025-26.

UPDATED REVENUES

	Adopted Budget	Preliminary Projections FY 2024-25	Updated Projections FY 2024-25	Preliminary Projections FY 2025-26	Updated Projected FY 2025-26
Property Taxes	$ 1,500,750	$ 1,500,750	$ 1,443,744	$ 1,560,780	$ 1,501,494
Sales Taxes	10,000	15,000	15,000	15,000	15,000
Property Transfer Tax	64,890	60,000	60,000	62,400	62,400
Other Taxes	1,000	-	-	-	-
Motor Vehicle In Lieu	280,545	284,574	284,574	290,265	290,265
Building & Other Permits	400,000	450,000	450,000	450,000	450,000
C&D Permits	10,000	10,000	10,000	10,000	10,000
Variance, Planning & Zoning	25,000	30,000	30,000	30,000	30,000
Animal Control Fees	300	300	300	300	300
Franchise Fees	13,000	13,000	13,000	13,000	13,000
Fines & Traffic Violations	4,000	4,000	4,000	4,000	4,000
Cost Recovery - Publications	3,000	3,000	3,000	3,000	3,000
RHCA Lease Revenue Public	69,000	69,000	69,000	69,000	69,000
Safety Aug Fund	1,200	1,800	1,800	1,800	1,800
Interest on Investments	140,000	160,000	160,000	150,000	160,000
PARS Earnings	44,000	40,000	40,000	44,000	44,000
Miscellaneous Revenue	6,000	-	1,000	-	1,000
Transfers In - Refuse Fund	24,000	24,000	24,000	24,000	24,000
TOTALS	$ 2,596,685	$ 2,666,424	$ 2,609,418	$ 2,728,545	$ 2,679,259

FY 2025/26 Updated Revenue Projections

GENERAL FUND EXPENDITURES

Proposed GF Expenditures by Department

Department	FY 2024-25 Adopted Budget	Status Quo Adjustments	FY 2025-26 Baseline Budget	Proposed Adjustments	Proposed Budget
City Administrator	$ 881,825	$ 24,427	$ 906,252	$ (30,378)	$ 875,874
Finance	159,500	-	159,500	9,500	169,000
Planning & Development	900,060	426	900,486	(3,515)	896,971
Public Safety	323,000	18,600	341,600	(13,950)	327,650
Non-Departmental	142,600	-	142,600	7,000	149,600
City Properties	192,000	-	192,000	8,540	200,540
Total Operations	**$ 2,598,985**	**$ 43,453**	**$ 2,642,438**	**$ (22,803)**	**$ 2,619,635**

Highlights of Adjustments

- Account 01-890 Consulting Fees (CIP Project Management)
  - Primarily being charged to capital project accounts in CIP Fund
  - Reduced by $25,000
- 05-810 Annual Audit
  - Increased by $9,000 to $44,000 based on potential contract with new firm
- 15-890 – On Call Inspection Services
  - Reduced by $7,500 to align with expectations

Highlights of Adjustments

- 25-830 Law Enforcement
  - Increased by $15,750 based on latest info from LAC (4.39%)
- 25-833 Other Law Enforcement
  - Reduced by $5,600 to align with costs for school security reimb
- 25-837 Wildlife Mgmt & Pest Control
  - Reduced by $10,000 due to contractor (Fernando) going out of business
- 65-895 Insurance
  - Increased by $15,000 to based on expected costs plus ~10%

Highlights of Adjustments

- 65-917 Emergency Preparedness
  - Decreased by $8,000 based on expected actuals
  - $20,000 for Emergency Preparedness Programming and Misc. Items
  - $40,000 for EOC build out (Chambers)
- 75-892 IT Services
  - Increased by $9,000 based on a rate increase by Forum and monthly average spend through 3/31/2025
- 75-932 Area Management
  - Reduced by $7,860 per agreement

UPDATED BALANCING

	FY 2024-25			FY 2025-26
	Adopted Budget	Amended Budget	Prelim Projections	Proposed Budget
Operating Revenues	$ 2,596,685	$ 2,596,685	$ 2,715,321	$ 2,679,259
Operating Expenditures	2,576,708	2,623,299	2,455,198	2,619,635
Operating Surplus (Deficit)	19,977	(26,614)	260,123	59,624
Capital Transfers	-	825,881	250,000	-
Surplus (Deficit) - Total	$ 19,977	$ (852,495)	$ 10,123	$ 59,624

Finance Committee Feedback

- Group Insurance (Account #s 01-706 and 15-706)
  - Increases did not look right – too high in City Admin and much lower in Planning
  - Discovered that proposed budgets were not calculated correctly and have been corrected
  - Increase of ~$9,500 in City Admin (01-706) is due to several factors, including:
    - A change to a more expensive plan by a current employee
    - Increased premiums
    - Current year budget was calculated when one of the positions was vacant and using EE only
  - Decrease in Planning of $5,130 due to incorrect calculation of current year budget (did not reflect EE contributions)

Finance Committee Feedback

- Dues and Subscriptions (Account # 15-750)
  - Requested additional information on the $5,620 increase and costs included in the $17,290 adjusted total
  - $5,620 is to cover the cost of the GIS System provided by the County of Los Angeles
  - Also includes the following items:
    - $2,340 for Bluebeam Studio Prime (Plan Check System)
    - $7,250 for iWorQ (Permit Tracking and POS System)
    - $1,250 for potentially integrating Bluebeam and iWorQ
    - $1,500 for professional association dues
    - $300 in payment processing fees for POS System

Finance Committee Feedback

- IT Services (Account # 75-892)
  - Used to account for contracted IT services provided by Forum
  - We have been averaging $5,950 per month through March 31, 2025, including a rate increase in January.
  - Equates to $71,500 annualizes
  - Staff proposes to increase budget by $9,000 to $72,000
  - Staff will be looking a ways to reduce costs including other companies

Recommendation

- Provide staff feedback on updated revenues and proposed expenditures, including the FBA Committee feedback

Next Steps

- June 9, 2025 Council meeting
  - Prop 218 Hearing on Refuse rate increases
  - Potential adoption of budget and GANN Limit

- June 23, 2025
  - If necessary, adoption of budget and GANN Limit

QUESTIONS/DISCUSSION

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 13.B
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ROBERT SAMARIO, FINANCE DIRECTOR

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: SELECTION OF AN AUDIT FIRM FOR THE THREE FISCAL YEARS ENDED JUNE 30, 2025 THROUGH JUNE 30, 2027

DATE: May 12, 2025

BACKGROUND:
Each year, the City is required to have an audit performed on its financial statements by an independent certified public accounting firm.

Over the last nine fiscal years, the City's annual audit has been performed by LSL, CPAs. While the City has been pleased with their services, best practices dictate that the City change auditors every 5-7 years. As such, two years ago, based on Council direction, the City conducted an RFP for audit services but received no responses. Last year, the City again conducted an RFP, which again yielded no bidders.

This year, staff reached out to several qualified firms and garnered interest in submitting a bid, and received two bids.

This evening, staff seeks City Council direction on whether to retain the current audit firm or rotate to a new firm.

DISCUSSION:
The City received a proposal from Vasquez & Company (Attachment A) and a second from Price, Paige & Company (Attachment B). Both firms have extensive experience in audits of local governments and are among the leaders in providing such services in California.

The proposed fees for the three years ending June 30, 2027, from Vasquez & Company totaled $140,635, and from Price, Paige & Company, the fees for the same three-year period totaled $151,696. The difference in fees amounts to $11,061 over a three-year period.

City staff presented the results of the informal RFP to the City Council at the meeting of April 28, 2025, recommending Vasquez & Company on the basis of price, since both firms are very qualified. However, because of the increased costs relative to the current audit fees, Council directed staff to solicit a quote from the City's current audit firm, LSL CPAs, to determine the true cost of changing auditors.

LSL did provide a quote for the same three-year period, which totaled $97,650, or $32,550 per year. Over the three-year period, this is $42,985 lower than the proposed fees from Vasquez & Company.

While price is certainly an important factor, in this case the savings have to be weighed against the best practice of rotating auditors periodically to ensure the appearance of independence, to avoid the risk of complacency, and to the encourage a "fresh set of eyes" on the City's finances and systems of internal control.

In cases where a local government agency decides to use the same audit firm long term, they require a change in audit partners and managers as a mitigation measure to the normal practice of rotating audit firms periodically. LSL does have the capacity to change the partner and manager on the engagement in the performance of the audits for the next three fiscal years.

It is important to note that LSL's current and proposed fees are based on their knowledge of the City's operations and, after many years of auditing the City, their determination that the audit risk is low. This allows them to complete the audit efficiently and inexpensively. In contrast, a new auditor has to consider the risk and cost of taking on a new client with which they are not familiar. As such, at least for the initial contract term, they have to factor in the cost of learning and documenting the City's systems and processes and the uncertainty regarding the City's risk profile. Consequently, changing auditors will inevitably result in higher fees than those paid to the incumbent audit firm.

As a final consideration, a decision to stay with the current audit firm on the basis of price will severely limit the ability in the future for the City to change auditors as audit firms will likely be unwilling to submit a proposal given the perception that the City is unwilling to pay for the extra risk and time associated with brining in a new audit firm.

FISCAL IMPACT:
None.

RECOMMENDATION:
That the City Council provide direction to staff on whether to retain the current audit firm or rotate to a new firm, after considering the pros and cons discussed in this report.

ATTACHMENTS:
Attachment A - CL_AGN_250428_CC_VasquezProposal.pdf
Attachment B - CL_AGN_250428_CC_PricePaige&Co_Proposal.pdf

Revised Proposal to Provide Professional Auditing Services

City of Rolling Hills

Submitted by:
Cristy Canieda
Partner, Government Practice Leader
Vasquez & Company LLP
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: (213) 873-1720
Fax: (213) 873-1777
Email: ccanieda@vasquezcpa.com

April 23, 2025

VASQUEZ
+ COMPANY LLP

Table of Contents

VASQUEZ
+ COMPANY LLP

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www.vasquez.cpa

213-873-1700
OFFICE

\ LOS ANGELES
\ SAN DIEGO
\ IRVINE
\ SACRAMENTO
\ FRESNO
\ PHOENIX
\ LAS VEGAS
\ MANILA, PH

Transmittal Letter

April 23, 2025

Robert Samario
Finance Director
City of Rolling Hills
2 Portuguese Bend Road
Rolling Hills, CA 90274

RE: Vasquez Revised Proposal to Provide Professional Financial Statement Auditing Services to the City of Rolling Hills

Vasquez & Company LLP ("Vasquez," "we," "us," or "our") is pleased to submit our proposal to audit the financial statements of the City of Rolling Hills (the "City") for the three fiscal years beginning with fiscal year ending June 30, 2025, with the option of auditing its annual financial statements for each of the two (2) subsequent fiscal years.

Statement of Understanding

Our Firm's understanding of the scope of services is as follows:

- Perform an audit and render an auditor's report on the Basic Financial Statements of the City in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.
  - As part of our audit, we will render a report on the basic financial statements that will include both Government-Wide Financial Statements and Combining Fund Financial Statements and also apply limited audit procedures to Management's Discussion and Analysis (MD&A), if provided and required supplementary information pertaining to the General Fund and each major fund of the City.
  - We will render our auditor's reports on the City's internal control over financial reporting and compliance with relevant laws and regulations and other matters based on our audit of the financial statements.
  - Prepare and word-process the City's general-purpose financial statements.
- Prepare the Annual State Controller's Report for the City
- Issue a Management Letter that includes recommendations for improvements in internal control, accounting procedures, and other significant observations that are considered to be non-reportable conditions.

- Perform agreed-upon procedures pertaining to the City's GANN Limit and render a letter annually to the City regarding compliance.
- Provide guidance on implementing new GASB and OMB requirements and specifics of Federal and State of California regulations pertaining to local government financial reporting.

Upon request and specifically after our audits, we will be pleased to make a presentation to the City Council, during which we will discuss our audit approach, scope, and results. We pride ourselves on our ability to convey complex information in an informative fashion, free of bias, such that Management and the City Council can evaluate the significance of the information and determine action plans as may be appropriate.

Management can be assured our audits will be performed in the following:

- Generally accepted auditing standards in the United States of America,
- The standards applicable to financial audits contained in the most current version of the Government Auditing Standards, issued by the Comptroller General of the United States,

Why Vasquez?

Experienced Firm:

- Experienced in serving the financial and compliance needs of over 80 municipalities in California.
- Experience assisting government agencies achieve the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

Experienced Leaders:

- Cristy A. Canieda, Vasquez Government Practice Leader, formerly with PwC, will lead our delivery of services to the City. She will direct and supervise the auditors in performing the engagement, review the audit results, and provide technical expertise as appropriate.
- Roger Martinez, Vasquez Partner, formerly with KPMG, will act as the engagement quality control reviewer and objectively evaluate the engagement team's significant judgments and conclusions in formulating the auditor's report.

Information Technology Expertise:

Our audit approach includes an on-site and off-site review of the City's Information Technology (IT) general controls by IT professionals with more than 20 years of experience to assess whether the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with the City's technology standards and appropriate to safeguard your information assets.

Our Internal Control-Based Audit Approach:

- Our professionals, with extensive experience in performing financial and compliance audits of local municipalities and other public agencies in California, will bring an unbiased, fresh perspective to the City's systems, operations, and practices. Our experience will allow us to assess your risk and compare your existing policies and practices to those used by other efficient, reputable agencies. We will focus on the critical areas of your operations.
- Our audit approach is unique in evaluating and testing key internal accounting controls rather than merely performing substantive tests. This approach provides critically important information to City management about the effectiveness of its internal controls.

Communication with the City:

- We will hold regularly scheduled status meetings to keep you abreast of our progress.
- We will provide you with meaningful status reports.
- We will take a proactive approach to develop practical solutions to identified challenges.
- Team members, including the engagement and quality control partners, will be available year-round.

Addressing Critical Accounting Matters:

Recognizing that your interests are best served by highly qualified, knowledgeable, and trained accountants and auditors, we offer our staff and our clients:

- Frequent training in current technical matters and subjects of importance to local governments' finance, accounting, and auditing aspects, such as new GASB standards and OMB requirements.
- Specifics of Federal and State of California regulations about local government accounting, reporting, and compliance.

Timeliness:

- We understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines.
- We structure our audit approach to recognize issues early, plan for the orderly completion of our work, and avoid end-of-audit surprises.
- We commit to performing the work within the agreed timeframe

New GASB Pronouncement Experience:

- Our team has assisted clients in adopting applicable Governmental Accounting Standards Board (GASB) statements.
- Our firm assists clients in assessing their readiness to implement the new standards and guiding them through the implementation.

Providing an Effective and Efficient Audit:

Our risk-based approach, high-caliber management team, and experienced staff ensure that critical issues are not overlooked but promptly identified, communicated to you, and resolved to the City's satisfaction.

Affirmations:

This proposal is a firm and irrevocable offer for the three fiscal years beginning with fiscal year ending June 30, 2025.

Vasquez is committed to providing the City with the highest customer service, and we trust that you will find us qualified to provide the City with professional financial statement auditing services. If you have any questions or need further assistance, please call me using the contact information below.

VASQUEZ & COMPANY LLP

Cristy A. Canieda

Cristy A. Canieda, Partner – Government Practice Leader
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel.: 213-873-1720
Email: ccanieda@vasquezcpa.com

General Requirements

a) Independence

Vasquez meets the independence requirements of the auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, published by the United States General Accounting Office ("Yellow Book") as it relates to the City.

Vasquez does not have any professional relationships involving the City or any of its agencies or component units.

AICPA Government Audit Quality Center

Vasquez is an AICPA Governmental Audit Quality Center (GAQC) member. Membership in the AICPA GAQC demonstrates our commitment to quality in the performance of governmental audits. Leveraging the Center's benefits enables us to access resources designed to enhance audit quality and apply audit best practices.

Quality Control

Vasquez has an extensive quality control program designed to monitor compliance with audit and accounting professional standards and firm policies. Our client service approach requires the active involvement of experienced partners and managers in the consulting and audit engagements to ensure that critical issues are identified and resolved on a timely basis.

Performance Monitoring and Assessment

The objective of the engagement performance element of our quality control is to provide reasonable assurance that:

- Engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements,
- Our firm or engagement partner issues reports that are appropriate in the circumstances.

Policies and procedures for engagement performance address all phases of the design and execution of the engagement, including engagement performance, supervision responsibilities, and review responsibilities. Policies and procedures require that consultation take place when appropriate. Also, our firm has established criteria against which all engagements are to be evaluated to determine whether an engagement quality control review should be performed.

We satisfy the above objectives by establishing and maintaining the following policies and procedures:

- Planning for engagements meets professional, regulatory, and firm requirements.
- Qualified engagement team members review work performed by other team members on a timely basis.
- Vasquez establishes procedures addressing the nature, timing, extent, and documentation of the engagement quality control review.
- Vasquez establishes criteria for the eligibility of engagement quality control reviewers.
- Vasquez requires that consultation take place when appropriate; that sufficient and appropriate resources are available to enable appropriate consultation to take place; that all the relevant facts known to the engagement team are provided to those consulted; that the nature, scope, and conclusions of such consultations are documented; and that conclusions resulting from such consultations are implemented.

Management follow-up procedure internally called "Voice of the Client" to set the tone of "how we did" and "where we can improve."

b) License to Practice in California

Vasquez is licensed to conduct public accounting in California. All "key" engagement team members are properly licensed Certified Public Accountants in California. Vasquez certifies that it will inform the City of any suspension, termination, lapse, non-renewals, or restrictions of its licenses, certificates, or other required documents upon notification.

DCA - Search Details

c) Firm Qualifications and Experience

Vasquez and Company LLP is a Limited Liability Partnership established in 1969 and registered with the State of California Department of Consumer Affairs, with over 55 years of experience in performing financial, compliance, and performance audits, internal control reviews, fraud investigations, and risk assessments of government agencies. Our specialists also have technical expertise in transportation compliance, construction contracts and leasing, affordable housing, HUD-funded low-income housing, and local governance.

As a regional firm with former partners and managers with international accounting firms, we offer a superior service characterized by timely, personalized attention. Our professionals deliver innovative yet practical solutions that help clients gain a competitive advantage. The following represents a partial list of benefits that would be available to the City as a client of the firm:

- Specialty and expertise in financial, compliance, internal, and performance audits,
- Knowledge of Government "best practices"
- Extensive partner involvement,
- Practical information about current trends,
- Routine consultation throughout the year,
- Cutting-edge technology is utilized to minimize audit costs for you,
- Quality assurance built into all aspects of the engagement, from staffing to planning, execution, and reporting.

Firm Resources

Since its inception, Vasquez has focused on serving governmental entities. As a result, the government industry comprises the largest portion of the industries we serve today.

Partners	7
Directors/	7
Manager	22
Supervisors	25
Senior Auditors	65
Staff Auditors	124
Professionals	250
Administrators	30
Total	280

Government Practice Group

The Vasquez Government Practice Group comprises over 150 professionals trained and experienced in serving government entities, specializing in California cities, municipal water, transportation, education, and other special districts.

The Vasquez Government Practice Group comprises professionals from international accounting firms seeking to focus on their chosen industry – mainly government and nonprofit – and work with greater autonomy in a progressive, agile, and client-centric environment. The Vasquez leadership consists of eight (8) partners, each previously working with one or more global accounting firms. This experience emphasizes quality, innovation, performance standards, opportunity, discipline, and professional growth.

Office Locations

We will serve the City from our Headquarters in Glendale, CA. The selected team members will be assigned to the engagement on a full-time basis and will remain on the team for the duration of the engagement. Any key team member reassignment will be discussed with the City in advance and will be acknowledged in writing.

Headquarters	Fresno	Irvine	Las Vegas
655 N. Central Avenue, Suite 1550 Glendale, CA 91203 t) 213-873-1700 f) 213-873-1777	1444 Fulton Street Fresno, CA 93721 t) 559-663-0213	7545 Irvine Center Dr., Suite 200 Irvine, CA 92618 t) 949-623-8798	3753 Howard Hughes Parkway Paradise, Unit 200 Las Vegas, NV 89169 t) 702-784-7644
Manila	**Phoenix**	**Sacramento**	**San Diego**
29F Rufino Tower 6784 Ayala Avenue Makati City, 1226 Philippines	Two North Central Avenue, Suite 1800 Phoenix, AZ 85004 t) 602-759-7319	1215 K Street 17th Floor Sacramento, CA 95814 t) 916-503-3269 f) 916-503-2401	333 H Street Suite 5000 Chula Vista, CA 91910 t) 619-254-6605 f) 213-873-1777

Peer Review

Vasquez is a member of the AICPA Division of Firms and received a Peer Review Rating of "Pass" without comment - the highest rating from the AICPA on its peer review dated May 5, 2023. This peer review covered several government engagements similar in size and complexity to the City. A copy of the peer review opinion follows:

AICPA

National Peer Review Committee

May 05, 2023

Gilbert Vasquez
Vasquez & Company, LLP
655 N Central Ave Ste 1550
Glendale, CA 91203

Dear Gilbert Vasquez:

It is my pleasure to notify you that on May 03, 2023, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Wagner

Michael Wagner
Chair, National PRC

+1.919.402.4502

cc: James Dougherty, Roger Martinez

Firm Number: 900010138115 Review Number: 597388

220 Leigh Farm Road, Durham, NC 27707-8110
T: +1.919.402.4502 F: +1.919.419.4713
aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org

JLK Rosenberger
Certified Public Accountants

Liberty Plaza II
5057 Keller Springs Road, Suite 350
Addison, Texas 75001
Tel: 972-931-6803
jlkrosenberger.com

Report on the Firm's System of Quality Control

December 21, 2022

To the Partners of Vasquez & Company, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

The nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

The Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vasquez & Company LLP has received a peer review rating of *pass*.

JLK Rosenberger, LLP

Federal or State Desk or Field Reviews/Disciplinary Actions

As a mid-size firm with hundreds of clients, Vasquez works with regulatory agencies on a regular basis. Vasquez has not had any disciplinary action taken against the firm during the past three (3) years with state regulatory bodies or professional organizations, nor any pending or settled litigation within the past three (3) years.

National Resources

Vasquez is a client of the RSM Professional Services+ Practice. As clients, we have access to the Professional Services+ Collaborative, a globally connected community that provides an ecosystem of capabilities, collaboration, and camaraderie to help professional services firms grow and thrive in a rapidly changing business environment. As participants, we have the opportunity to interact and share best practices with other professional service firms across the U.S. and Canada.

Range of Services

Vasquez is a full-service firm focused on serving government agencies and other nonprofit organizations. Below is a graph of the different lines of business and service areas.

Government Experience

Vasquez provides audit services to approximately 100 government agencies on an annual basis. Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable).

GASB Pronouncements

Our firm encourages the early adoption of all applicable Government Accounting Standards Board (GASB) statements. Some of these standards have been monumental in establishing new financial reporting requirements for state and local governments throughout the United States and restructured much of the information presented in the past.

As a client of the RSM Professional Services+ Practice, Vasquez personnel are routinely updated through RSM's formal and informal relationships with the officials of most key federal departments.

Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

We are proposing an engagement team with substantial experience in auditing governmental entities for both financial and compliance audits for the City. Our industry-focused staff has undergone training courses dedicated to governmental accounting, auditing, and financial reporting, and specialized training in the compliance requirements of OMB Uniform Guidance regarding changes in Single Audit requirements. In addition, our partners have conducted training for professional organizations on Uniform Guidance.

Management Letter Comments

Providing value-added management letter comments is a priority for Vasquez. Our auditors/consultants' unique experience enables us to provide meaningful assistance beyond what most audit firms can provide. We do this through many different forms, but it comes primarily in identifying issues before becoming major problems for our clients. In addition, we meet with our clients throughout the year to better understand their challenges. As a result, our clients have realized many benefits, including improved operational efficiencies, security, and proactive prevention of potential future audit issues.

List of Local Government Clients

Vasquez performs numerous financial and compliance audits of governmental organizations. These audits include risk assessments conducted pursuant to a structured approach based on the standards outlined in the COSO Principles.

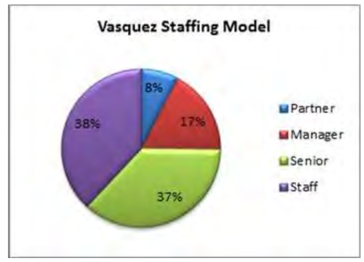
Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable). The list of clients that Vasquez served in the past as well as clients that we currently serve is as follows:

Clients		
City of Agoura Hills	City of Malibu	Desert Water Agency
City of Alhambra	City of Maywood	Encina Wastewater Authority
City of Antelope Valley	City of Modesto	Hidden Valley Municipal Water District
City of Arcadia	City of Montebello	Imperial County Transportation Commission
City of Avalon	City of Irwindale	Los Angeles County Metropolitan Transportation Authority
City of Artesia	City of La Puente	Metropolitan Water District of Southern California
City of Azusa	City of Monterey Park	Moulton Niguel Water District
City of Baldwin Park	City of Moreno Valley	Municipal Water District of Orange County
City of Bell	City of Needles	Needles Public Utility Authority
City of Bell Gardens	City of Norwalk	Orange County Sanitation District
City of Beverly Hills	City of Palos Verdes Estates	Plumas County Transportation Commission
City of Calabasas	City of Pico Rivera	Pomona Valley Transportation Authority
City of Carson	City of Pomona	Port of Long Beach
City of Commerce	City of Rosemead	Santa Barbara Metropolitan Transit
City of Compton	City of San Fernando	San Bernardino County Transportation Authority
City of Covina	City of Santa Fe Springs	Santa Clara Valley Water District
City of Cudahy	City of Santa Monica	San Gabriel Basin Water Quality Authority
City of Culver City	City of Simi Valley	San Gabriel Valley Council of Governments
City of Diamond Bar	City of South El Monte	San Joaquin Regional Transit District
City of Downey	City of South Gate	Southern California Association of Governments
City of El Monte	City of Torrance	Southern California Regional Rail Authority
City of Hawthorne	City of Vernon	SunLine Transit Agency

Clients		
City of Hidden Hills	City of Walnut	United Water Conservation District
City of Huntington Park	City of West Hollywood	Upper San Gabriel Valley Municipal Water District
City of Industry	City of Westlake	Victor Valley Wastewater Reclamation Authority
City of Inglewood	Alameda Corridor-East Construction Authority	
City of Lawndale	Antelope Valley Transit Authority	Water Replenishment District of Southern California
City of Long Beach	California American Water	

Partner, Supervisory and Staff Qualifications and Experience

Our senior engagement team members are responsible for ensuring the delivery of quality work. They will engage in regularly scheduled meetings with you, answer questions, provide guidance, and help ensure issues are identified and resolved promptly.



Vasquez has built its reputation on close partner involvement and strong client relationships. However, the ultimate success of our client relationships is largely attributable to one key component – our people. Our engagement teams are structured with extensive partner involvement. As a result, our average partner-to-staff leverage ratio is higher than most other firms. As a result, our budgeted hours include higher partner involvement than what you may have experienced in the past.

Beyond partner leadership and support, an audit is only as good as the people doing the bulk of the work daily. Therefore, we are committed to providing a staff resource pool that embodies the attributes you expect of your auditor, including technical expertise in GASB, knowledge of government and utility industries, and soft skills such as respect, empathy, and timely response to questions.

Continuing Professional Education Program

To ensure that our professional staff remains up to date on the latest audit and accounting developments and meets the requirements for maintaining active licensure in good standing, we see that our professional staff receives the required number of CPE hours within the established period. Vasquez also conducts in-house seminars for the professional staff.

Our team is held to a high standard of quality; we offer the following CPE Programs for our staff:

- Continuing Education courses provided by the American Institute of Certified Public Accountants (AICPA), which the firm sponsors live and in-house for its staff and clients, conducted by highly qualified professionals from the AICPA and the California CPA Education Foundation.
- Attendance at conferences and seminars related to government accounting sponsored by:
    - Government Finance Officers Association
    - Association of Local Government Auditors and the
    - California Society of Municipal Finance Officers
    - RSM US Alliance.

Staff Continuity

Vasquez will not replace key management personnel unless circumstances beyond our control occur (e.g., personnel leaving the firm). Changes to the designated project team shall not be made without the prior written approval of the City. Each person to be assigned to the engagement has been chosen for their ability to repeat future years' engagements. A synopsis of the team members and their respective roles, followed by their resumes, is as follows:

Team Member	Role
Cristy Canieda, CPA, CGMA Partner	Cristy Canieda, Vasquez Government Practice Leader, with over thirty (30) years of public accounting experience, will lead the service delivery team and supervise the auditors in performing the audit engagement and provide technical assistance as appropriate. Cristy oversees all the firm's municipal audit engagements and serves as a Technical Reviewer for the GFOA Certificate of Excellence in Financial Reporting Program. Cristy's experience includes City of Baldwin Park, City of Carson, City of Norwalk, and the City of Torrance.
Roger Martinez, CPA Quality Control Partner	Roger Martinez, Vasquez Partner, with over twenty-five (25) years of public accounting experience, will be responsible for the technical reviewer for the engagement and will work closely with the Lead Partner to review and evaluate the audit fieldwork and reports. Roger's experience includes the City of Long Beach, City of Vernon, City of Norwalk and the City of La Puente.
Rhoda Dollaga, CPA Senior Audit Manager	Rhoda Dollaga, Vasquez Senior Audit Manager with eight (8) years of public accounting experience, will work closely with the Partner to plan, coordinate, and review the fieldwork for the City's annual financial and compliance audits. In addition, she will supervise the day-to-day activities and task accomplishments, monitor progress, and ensure schedule compliance. Rhoda's experience includes the City of Baldwin Park, City of Cudahy, City of El Monte, City of Long Beach, City of Montebello, City of Simi Valley, City of Modesto, City of West Hollywood, City of Norwalk and the City of Vernon.
Jason Tagasa, CISA IT Manager	Jason Tagasa, Vasquez IT Manager, formerly with EY with over ten (10) years of experience in IT consulting and auditing, will perform audit procedures pertaining to the City's financial systems and Information Technology. Jason's IT risk-based controls assessment approach for evaluating and testing internal controls provides added assurance to management and the Governing Board.

CRISTY A. CANIEDA, CPA, CGMA

Partner, Government Practice Leader
Vasquez & Company LLP
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: 213-873-1720
Email: ccanieda@vasquezcpa.com

Areas of Expertise

Cristy's areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Federal Uniform Guidance, program specific audits, financial statement reviews, forecasts and projections to government agencies; preparation of comprehensive annual financial reports, State Controller's reports.

Prior Experience

- City of Baldwin Park
- City of Carson
- City of Culver City
- City of El Monte
- City of Hawthorne
- City of Huntington Park
- City of Long Beach
- City of Lynwood
- City of Montebello
- City of Moreno Valley
- City of Norwalk
- City of Pico Rivera
- City of Simi Valley
- City of Torrance
- City of West Hollywood
- Coachella Valley Association of Governments
- Community Development Commission of Los Angeles County
- Imperial County Local Transportation Authority
- Jurupa Community Special District
- La Habra Heights Water District
- La Puente Valley County Water District
- Los Angeles Community College District
- Los Angeles County Metropolitan Transportation Authority
- Orange County Water District
- Rancho California Water District
- San Gabriel Valley Council of Governments
- Southern California Association of Governments
- SunLine Transit Agency
- Upper San Gabriel Valley Municipal Water District
- Water Replenishment District of Southern California

Professional Background and Affiliations

Cristy's professional background includes Diehl, Evans & Company and Audit Manager and Manager, Tech. Standards and Continuing Education with PwC. She is a Certified Public Accountant licensed to practice in the State of California.

Educational Background

Cristy received her Bachelor of Science in Accountancy and Associate in Government Auditing from Enverga University and her Master's in Business Administration from Ateneo Graduate School of Business. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

Continuing Professional Education

Following are the continuing professional education courses completed by Cristy Canieda in the past three (3) years:

Title	Subject Code	Date
Public Sector: Auditing Alternative Investments	A.A.	06/19/24
State and Local Government: Review of New Audit Templates	A.A.	04/02/24
Audit Documentation	A.A.	03/01/24
2024 Government & Nonprofit Updates	A.A.	02/15/24
RSM Audit Methodology Refresher	A.A.	02/09/24
2024 CSMFO Conference	A.A.	1/30/24-2/1/24
Fraud Auditing and Investigation	Fraud	01/27/2024
Ethics for California CPAs	Ethics	01/21/2024
Audit Year End Audit Alert	A.A.	12/12/2023
Accounting and Auditing for Lessors under ASC 842, Leases	A.A.	10/19/2023
Q3 State and Local Governments A&A Updates – 2023	G.V.	10/10/2023
Government Audit Reviewers' Training	G.V.	09/14/2023
USC Annual SEC and Financial Reporting Institute Conference	A.A.	06/01/2023
Audit Year-End Alert	A.A.	12/01/2022
En Route to Govt Season	G.V.	08/24/2022 08/26/2022
Q2 Update	A.A.	07/21/2022
State & Local A&A Update	A.A.	07/13/2022
GASB's Lease Standards: Are you Ready	GV	02/01/2022
How to Review State and Local Government File	G.V.	07/26/2021
Q2 State and Local Governments Update	G.V.	07/13/2021
3rd Annual NFP Training	A.A.	06/02/2021
Q1 State and Local Governments Update	G.V.	05/25/2021
2021 Annual Required GAQC Webcast	G.V.	05/04/2021
Audits of Employee Benefit Plan Update	A.A.	04/20/2021
CSMFO Annual Conference	G.V.	02/16/2021 02/18/2021
PPP Documentation & Testing	A.A.	01/15/2021
FASB Update	A.A.	01/07/2021
GASB Update	G.V.	01/05/2021

ROGER A. MARTINEZ, CPA

Partner, Audit Practice Leader
Vasquez & Company LLP
Tel: 213-873-1703
Email: ram@vasquezcpa.com

Areas of Expertise

Roger's areas of expertise overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, and forecasts to government agencies.

Representation of Experience

- City of Long Beach
- City of Vernon
- City of Adelanto
- City of Cudahy
- City of El Monte
- City of Huntington Park
- City of Norwalk
- City of La Puente
- University of California System
- Alameda Corridor – East Construction Authority
- Alameda Corridor Transportation Authority
- California State University System
- California State Teachers' Retirement System
- California State Treasurer's Office
- Los Angeles County Employees Retirement Association
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles Unified School District
- Los Angeles Water and Power
- Los Angeles World Airports
- Los Angeles Community College District
- Metropolitan Water District of Southern California
- Port of Los Angeles
- San Gabriel Valley Council of Governments
- San Gabriel Basin Water Quality Authority
- San Joaquin Transit Agency
- Southern California Regional Rail Authority
- SunLine Transit Agency

Professional Background and Affiliations

Roger is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, the Los Angeles Chamber of Commerce, and the Association of Latino Professionals in Finance and Accounting. He has held many board memberships with private companies and nonprofit organizations. He is currently on the Advisory Board for the Salvation Army and Los Angeles County Medical Association.

Educational Background

Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from the University of California, Los Angeles. He remains current on accounting matters by attending conferences and continuing education courses applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

Continuing Professional Education

Following are the continuing professional education courses completed by Roger Martinez in the past three (3) years:

Course Title	Subject Code	Date
Navigating Business Interruption Claims	AA	12/09/2024
EBPAQC 2024 Designated Audit Quality Partner Planning	AA	07/24/2024
AICPA & CIMA Portfolio Valuation Forum	AA	06/13/2024
FASB Update for Private Companies and Not-for-Profit Organizations	AA	06/10/2024
Employee Benefit Plans Audit Training	AA	05/30/2024
PwC's Q1 2024 Quarterly Accounting Webcast	AA	03/13/2024
Audit Documentation Refresher	AA	03/01/2024
2024 Government and Nonprofit Updates Training	AA	02/15/2024
Charting the course: Board governance in 2024 and beyond	AA	02/1/2024
Health industries accounting hot topics webcast	AA	12/14/2023
Materiality in Planning a Governmental Audit	GV	6/29/2023
Introduction to Governmental Audit and Accounting Issues	GV	6/28/2023
Governmental Funds and Proprietary Funds (Yellow Book Compliant	GV	6/28/2023
Following the Money - How COVID-19 Transformed Fraud Response	GV	11/17/2022
2022 Annual Required GAQC Webcast	GV	11/09/2022
Quarterly Accounting Webcast Series - Fall 2022	AA	10/13/2022
What Federal Agencies are Finding in Single Audit QCRs	GV	10/12/2022
Cybersecurity - Risks and mitigating solutions	OT	10/02/2022
Comprehensive EBP Training (Day 2)	AA	08/16/2022
Quarterly Accounting Update - Summer 2022	AA	07/14/2022
40th Annual SEC and Financial Reporting institute Conference - Panel 2: Current Financial Reporting Practice Issues	AA	06/02/2022
40th Annual SEC and Financial Reporting institute Conference - Keynote Presentation: "The Ever-Evolving Landscape of ESG Reporting"	AA	06/02/2022
40th Annual SEC and Financial Reporting institute Conference - Panel 4: Current Auditing Practice Issues	AA	06/02/2022
40th Annual SEC and Financial Reporting institute Conference - Panel 5: Current ESG Practice Issues + Conference	AA	06/02/2022
Planning a State and Local Government Audit	GV	3/22/2022
SEC Update 2022 Webcast	AA	1/18/2022
Lessee Accounting under ASC 842, Leases	AA	1/13/2022
Q4 State Local Governments A&A Updates 2021	GV	1/11/2022

RHODA DOLLAGA, CPA

Audit Senior Manager
Vasquez & Company LLP

Area of Expertise

Rhoda's practice is focused on participation in all aspects of financial and compliance audits, including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, forecasts, and projections to government agencies, preparation of comprehensive annual financial reports and State Controller's reports.

Representation of Experience

- City of Baldwin Park
- City of Cudahy
- City of El Monte
- City of Long Beach
- City of Modesto
- City of Montebello
- City of Norwalk
- City of Palos Verdes Estates
- City of San Fernando
- City of Simi Valley
- City of South El Monte
- City of Vernon
- City of West Hollywood

Educational Background

Rhoda received her Bachelor of Science in Accounting from the University of the East. She remains current on accounting matters by attending conferences and continuing education courses focused on governmental accounting and financial reporting, federal and state regulatory matters, and auditing requirements. She has maintained compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

Continuing Professional Education

Following are relevant continuing professional education courses completed by Rhoda Dollaga in the past three (3) years:

Title	Subject Code	Date
Compliance- Results of Test and Reporting (60817)	GV	05/29/2024
Compliance Testing (60818)	GV	05/21/2024
Compliance- Evaluation of Risk and Performing Test of Controls (60816)	GV	05/14/2024
Q1 State Local Governments A&A Updates - 2024 (61555)	GV	05/13/2024
Q1 Not-for-Profit A&A update - 2024 (61544)	GV	04/25/2024
Audits of Employee Benefit Plans Update - 2024 (67147)	AA	04/23/2024
SLG: Review of New Audit Templates (61553)	AA	04/02/2024
PwC's Q1 2024 Quarterly accounting webcast	AA	03/19/2024
First look at the SEC climate disclosure rules	AA	03/12/2024
Vasquez & Company LLP: RSM Audit Documentation Refresher	AA	03/01/2024
Vasquez & Company LLP: RSM Audit Sampling Refresher	AA	02/21/2024
2024 Government and Nonprofit Accounting Updates Training	AA	02/15/2024
CSMFO Annual Conference 2024	AA	02/02/2024
GOV Orb – Just the FAQs	AA	01/05/2024
Q4 State Local Governments A&A Updates - 2023	AA	01/04/2024
Q3 Audit Update 2023	AA	10/24/2023
Accounting & Auditing for Lessors under ASC 842, Leases	AA	10/19/2023
SLG Pension and OPEB Audit Issues	GV	10/09/2023
Ethics for California CPAs	E	09/02/2023
Fraud Prevention	F	09/01/2023
Stopping Fraud Before It Stops You	F	05/23/2023
Year in Washington, D.C.: Federal Updates	T	05/23/2023
Up in the Air: Accounting for Subscription-Based IT	GV	05/23/2023
Common Errors from GFOA's Certificate of Achievement Program	GV	05/22/2023
Accounting and Auditing Year in Review	GV	05/22/2023
Fiduciary Activities	GV	05/21/2023
Without You Here: Accounting for Compensated Absences	GV	05/21/2023
2023 State and Local Government Audit Planning Considerations	GV	05/18/2023
Q1 State Local Governments A&A Updates – 2023	GV	05/16/2023
GOV Orb - Maps, Leads, and Trees - Oh My!	GV	05/04/2023
GOV Orb - Planning the Path to a Successful Audit	GV	11/14/2022
The Impact of SAS 145 on State and Local Government Audits	GV	11/11/2022
Governmental Accounting & Auditing Encore Virtual Conference	GV	05/24/2022
Q1 State Local Governments A&A Updates - 2022	GV	05/16/2022
Q1 Current Acctg. Practice Issues and Recent Developments - 2022	AA	04/19/2022
Q1 Current Acctg. Practice Issues and Recent Developments - 2022	AA	04/19/2022
Quarterly Accounting Update- Spring 2022	AA	04/14/2022
Quarterly Accounting Update- Spring 2022	AA	04/14/2022
Critical Audit Matters	AA	04/01/2022
Lessee Accounting under ASC 842, Leases	AA	01/13/2022
Q4 State Local Governments A&A Updates- 2021	GV	01/05/2022

JASON TAGASA, CISA

I.T. Manager

Area of Expertise

Jason's practice is focused on participating in internal audit, compliance, IT risk assurance and financial auditing engagements. He is skilled at audits of various mobile, network and infrastructure systems, databases, ERP applications and data management systems.

- IT Risk Assessment
- Internal controls assessment and optimization
- Business Process and Operations Review
- SOC Reports
- Regulatory guidance and compliance (SOX)
- Project and Program Management
- Disaster recovery and business continuity
- IT Security and vulnerability assessments
- Internal Audit Support

Professional Background and Affiliations

Jason's professional background includes IT senior auditor with EY. He is a Certified Information Systems Auditor (CISA).

Representation of Experience

- City of Carson
- City of Culver City
- City of El Monte
- City of Modesto
- City of Norwalk
- City of Palos Verdes
- City of Simi Valley
- City of Torrance
- City of West Hollywood
- City of Needles

Educational Background

Jason received his Bachelor of Science in Accounting from the University of Santo Tomas. He remains current on accounting matters by attending conferences and continuing education courses which are focused on information systems and financial reporting, as well as federal and state regulatory matters and auditing requirements.

Continuing Professional Education

Following are relevant continuing professional education courses completed by Jason Tagasa in the past three (3) years:

Title	Subject Code	Date
CRISC Cert Prep: 1 Governance	T	5/24/2024
CRISC Cert Prep: 2 IT Risk Assessment	T	5/22/2024
CRISC Cert Prep: 3 Risk Response and Reporting	T	5/22/2024
How Managers Create a Culture of Belonging	T	5/21/2024
Equity First: The Path to Inclusion and Belonging	T	5/21/2024
Project Management Foundations	T	5/21/2024
Certified in Risk and Information Systems Control (CRISC) Exam Tips	T	5/20/2024
CRISC Cert Prep: 4 Information Technology and Security	T	5/20/2024
CRISC Cert Prep Audio Review	T	5/15/2024
Prepare for the Certified in Risk and Information Systems Control (CRISC) Certification Exam (2021)	T	5/3/2023
Cert Prep: Agile Analysis (IIBA®-AAC)	T	4/26/2023
Audit Year End Alert- 2022 (45144)	GV	12/1/2022
GOV Orb - Planning the Path to a Successful Audit (62502)	GV	11/14/2022
Yellowbook CPE Compliance (60616)	GV	11/2/2022
Q1 Current Accounting Practice Issues and Recent Developments - 2022 (45615)	AA	4/12/2022
Lessee Accounting under ASC 842, Leases (45467)	AA	1/13/2022
Planning a State & Local Government Audit (65601)	GV	3/22/2022

Similar Engagements with Other Governmental Entities

Client Contact	Engagement Description	Engagement Partners
City of Norwalk 12700 Norwalk Blvd Norwalk, CA 90650 Jana Stuard, Finance Director JStuard@norwalkca.gov (562) 929-5748	Annual financial and compliance audit, Single Audit (Uniform Guidance), GANN Appropriation Limit, Transit Fund Audit, Financing Authority audit, Childcare Program Audit, JPA audit, and Management letter. **GFOA Award.** 900 Hours Year: FY 2022 to current	C. Canieda Lead Partner R. Martinez QC Partner
City of Carson 701 Carson St b24 Carson, CA 90745 William Jefferson, Finance Director wjefferson@carsonca.gov (310) 952-1700	Annual financial and compliance audit, Single Audit (Uniform Guidance), State Controller's Report, AQMD Fund audit, Measure W audit. **GFOA Award.** 800 Hours Year: FY 2021 to current	C. Canieda Lead Partner L. Narciso QC Partner
City of Torrance 3031 Torrance Blvd, Torrance, CA 90503 Sheila Poisson, Director of Finance SPoisson@TorranceCA.gov (310) 618-5854	Annual financial, compliance audit, Single Audit (Uniform Guidance), AQMD Fund audit. **GFOA Award.** 700 Hours Year: FY 2021 to FY 2023	C. Canieda Lead Partner L. Narciso QC Partner
City of Simi Valley 2929 Tapo Canyon Rd Simi Valley, CA 93063 Marvin Lopez, Assistant Finance Director Mlopez@simivalley.org (805) 583-6803	Annual financial and compliance audit, Single Audit (Uniform Guidance), GANN Appropriation Limit, Simi Valley Library compliance, Public Service Center for Sanitation and Waterworks compliance, Management letter. **GFOA Award.** 600 Hours Year: 2015-23	L. Narciso Lead Partner C. Canieda QC Partner
City of West Hollywood 8300 Santa Monica Blvd., West Hollywood, CA 90069 Lorena Quijano, Director of Finance and Technology Services LQuijano@weho.org (323) 848-6451	Annual financial, compliance audit, Single Audit (Uniform Guidance), GANN Limit, State Controller’s Report. **GFOA Awards**. 523 Hours Year: 2021 to current	C. Canieda Lead Partner L. Narciso QC Partner

Specific Audit Approach

As part of an audit engagement, we leverage a formal project management methodology to help ensure that all tasks are planned effectively and ultimately completed on time and that any changes in the schedule will be properly documented and authorized.

Embedded within your audit team are experienced project managers who have strong project management skills. These Vasquez team leaders will provide highly collaborative project management expertise and consultation to the City to ensure no surprises during the audit. Additionally, Vasquez will continuously look for ways to improve the management and execution of the audit. We want to ensure that audit planning, scheduling, and budgeting are executed properly and timely.

At each phase of our engagement, our client service standards guide us toward providing an exceptional customer experience – one in which we become a trusted adviser and bring innovative ideas and solutions that deliver value to you.

- **We understand.** Our audit and consulting professionals follow our CaseWare process, which provides a thorough understanding of your business, current situation, needs, and expectations to ensure no surprises at each phase of the engagement.
- **We communicate.** Our team is trained to communicate with consistent and open dialogue at the right time to the right people.
- **We collaborate.** We collaborate to bring together the right expertise to meet your needs, resolve emerging issues proactively, and bring innovative ideas and solutions that deliver value to you.
- **We deliver.** We deliver what we promise – on time, on budget, and with the highest quality.

At Vasquez, we want to build strong relationships with our clients and continuously seek to understand ways to ensure that our services align with their needs. We believe it is important to strive for continuous improvement in interacting with and delivering services to clients. We do this, in part, by adhering to defined client service standards and seeking feedback on our performance from our clients.

Every financial statement audit engagement presents a different set of challenges. No two organizations are the same, and therefore, we must tailor the audit to each organization based on the specific risks identified.

Our audit approach is based on a risk assessment process which is planned and executed by experienced auditors. The results as depicted below form the basis for our audit strategy and procedures, and ultimately yield practical comments for strengthening internal controls and improving practices, as well as our opinion on the financial statements and our auditor's reports on internal control and compliance with laws and regulations.

Risk Assessment

The design of an effective audit plan depends on the audit team's ability to identify and assess the risk that the financial statements contain a material misstatement, whether caused by error or fraud. The risk assessment process will include:

- Obtaining an understanding of the City and the environment in which they operate. This includes efforts to understand the events, conditions, and organizational activities that might reasonably be expected to have a significant effect on the risks of material misstatement. An understanding of the City and the environment will often involve consideration of the regulatory environment, business objectives and strategies, and selection of an application of accounting principles.
- Considering information gathered during the engagement acceptance and continuance evaluation, including prior reports, audit planning activities, previous audits, and other non-audit engagements performed for the City.
- Inquiring from the audit committee, management, and others within the City about risks of material misstatement.
- Obtaining an understanding of the City's internal controls over financial reporting.
- Performing analytical procedures, such as a comparison of the City's current financial statement account balances to prior year financial statements and budgeted amounts and/or comparison of current relevant financial ratios to industry ratios or prior year ratios.

Developing an Audit Strategy

In developing an audit strategy, we may decide to perform tests of the City's internal control over certain systems and processes. We assess the desirability of adopting such a strategy by considering cost/benefit considerations, the volume of transactions, and prior-year control testing results. If test results indicate that the City's internal controls are effective, we may decide to reduce the level of substantive tests that it performs as a basis for its opinion.

a) Proposed segmentation of the engagement

Phase I Phase II Phase III Phase IV

Audit Planning

Phase I

- Familiarize ourselves with operating environment.
- Perform risk assessment procedures.
- Perform preliminary analytical review.
- Identify major programs for Single Audit testing.
- Develop Audit Plan
- Discuss and agree on financial statement format.
- Reevaluate the progress of the audit and make any changes on audit approach and procedures, if necessary.
- Advise City personnel on new accounting and auditing pronouncements, if needed.
- Provide SAS 114 Planning Communication to Audit Committee/City Council,

Phase II – Internal Control Evaluation

- Assess internal control environment.
- Perform IT Controls testing and evaluation.
- Perform Fraud evaluation procedures.
- Evaluate design and implementation of key controls.
- Test controls over financial reporting and administration of federal funds.
- Identify internal control strengths and weaknesses.
- Draft internal control management letter comments.
- Draft auditor's internal control report (GAGAS and Uniform Guidance).

Phase III – Substantive Testing

- Plan and perform substantive audit procedures, including confirmations, vouching, reconciliations, inspections, observations, inquiring and analytical procedures.
- Perform substantive compliance audit tests over federal and other programs.
- Conduct final analytical review.
- Consider Audit Evidence Sufficiency.
- Conclude on critical accounting matters.

Phase IV – Completion

- Perform completion procedures.
- Perform overall evaluation of the financial statements and disclosures.
- Update and finalize management letter.
- Perform Single Audit administrative matters (Data Collection Form/Federal Audit Clearinghouse)
- Conduct Exit Conference with management, including discussion of proposed audit adjustments, internal control and compliance findings and management letter.
- Issue auditors' reports and management letter.
- Presentation of the audit results to the those charged with Governance.

Phase I – Audit Planning

The planning phase lays the foundation for the direction of our audit efforts. It encompasses the following steps:

- Conducting entrance conferences with the appropriate City management personnel. The agenda would include, but need not be limited to, the following:
  - The application of generally accepted accounting principles
  - Concerns of City management
  - Report requirements, refinements, and deadlines
  - Initial audit approach and timing schedule
  - Assistance by City personnel
  - Establishment of principal contacts
  - Progress reporting process
  - Consideration of Fraud in a Financial Statement Audit
  - The auditors' responsibility for fraud prevention
  - Scheduling inquiries of management and others (including non-accounting personnel) about the risk of fraud
  - We believe it is important for us to assist the City in implementing new accounting, auditing, and compliance requirements. It is for that reason we intend to schedule training with City personnel involved in all phases of the audit for them to have a clear understanding of the latest technical changes for their respective areas as well as have a clear understanding of the audit requirements and timeline.

Expanding our understanding of the City and its operating environments. We will accomplish this by familiarizing ourselves and updating our knowledge of applicable background information pertinent to the City, its component units, their mission, funding sources, and structure.

Through our background knowledge of the City and our fact-finding process, we will develop an in-depth understanding of the areas of concern. We will be able to meet with City management to discuss areas that might have a significant impact on the timing and completion of the audits or that may be of particular concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" areas that may impede our progress and to develop our overall approach so that the City will have sufficient time to develop the data necessary for the completion of the audit with a minimum amount of disruption of the day-to-day routine.

Our planning process will include a specific review of computer activities performed by City personnel to:

- Determine the organizational and operational controls over the data being processed, including, but not limited to, system development and maintenance controls, hardware controls, and access controls.
- Evaluate the degree of "control consciousness" among personnel.
- Determine the potential impact of general control strengths and weaknesses.
- Consider the possibility of management override of controls.

Our principal sources of information for this review will be interviews with responsible accounting and computer operations personnel, reviews of program documentation for the City's system, and direct observations made by our audit team.

- The audit team will use our analytical review techniques to identify other areas that may require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can thus identify sensitive areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas that merit further investigation.

Based on our understanding of the City's operating environment, through our analytical review and other planning procedures, we will meet with City personnel to highlight areas to be emphasized

- during the audit. We will concentrate our efforts on the identified areas of audit concern and areas that we know to be important to City management. Some of our preliminary audit concerns are elaborated as follows:
  - Compliance with applicable laws, regulations, and reporting requirements
  - Receipt of all revenue to which the City is entitled.
  - Purchase authorizations within budgetary limitations.
  - Adequate safeguarding of City cash, investments, and inventory assets.
- We will work directly with the appropriate City personnel to discuss the financial statements and footnotes in accordance with all authoritative accounting systems and interpretations. Accordingly, we will meet to discuss and agree upon the format for the individual and general-purpose financial statements and any additional requirements that may be relevant because of recent or pending professional pronouncements. (See "Phase IV - Completion" for a more in-depth discussion of our financial reporting capabilities.)

Interim Audit Testing

Our audit approach is flexible and tailored to fit the City's evolving needs. We will work with you to review the current audit schedule to determine the best approach for the various phases of the financial statement audit. We provide you with the option of an interim audit effort or after year-end. There are several advantages to performing interim testing, such as:

- It shifts the timing of our testing into less busy periods of the year for your staff and our staff.
- It allows us to focus on the high-risk areas before the year-end close, providing more time to deal with issues.
- It allows us to judge the quality of the interim period, rather than solely year-end, financial statement information, and cut-offs, which allows more opportunity for us to identify and for the City to implement best practices over internal controls and processes.

There are advantages to performing interim audit testing, and, as we stated previously, we will work with you to determine the best approach, and you will control this process.

Phase II – Control Evaluation

Understanding how key systems and processes contribute to your overall processing environment and affect the reliability of financial information is a primary element of our audit approach. Our objective is to assess whether the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with the City's technology standards, and appropriate to safeguard your information assets.

I.T. General Controls

I.T. General Controls are pervasive controls within the I.T. environment. The following types of I.T. General Controls are typically addressed in our audit approach:

- **Logical security (access to programs and data)—**includes the components of management governance over Information Technology (policies and procedures, monitoring), application configuration (passwords, service accounts, super users, user identification/authentication), and security of the physical assets.
- **Change control management—**assesses program changes (upgrades, service patches, source code) moved into the production environment, and the processes applied to ensure the appropriate initiation, authorization, segregation, testing, and approval are evident.

- **Data backup and recovery—**reviews that the data backup process and ability to recover data for the financially significant applications, databases, spreadsheets, and operating systems for the given opinion period are complete, tested, and maintained, including the handling of errors.
- **Job processing—**tests for the completeness of data interfacing into financially significant applications and the change management processes for handling errors, script changes, and interface edits.
- **Security administration—**addresses the user access provisioning (new hire onboarding, position/role changes, employee separation) for the financially significant applications, databases, spreadsheets, and operating systems, along with management's review of access for completeness, segregation of responsibilities, and accuracy.

Out testing of IT application controls provides strong audit evidence and streamlines the audit process.

I.T. Application Controls

I.T. Application Controls apply to the business processes they support. These controls are embedded within the software applications to prevent or detect unauthorized transactions. When combined with manual controls, application controls verify the completeness, accuracy, authorization, and validity of processing transactions. Our methodology for assessing application controls is as follows:

- Define materiality by the system, such as utility billing, cashiering, purchasing and disbursements, revenues, payroll, and asset management, using business process mapping as a starting point.
- Map various transaction types to identify key controls and determine if the control is an application control or manual control.
- Utilize our proprietary questionnaires to help verify and test various automated controls.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate application security controls, which are controls to verify that minimum access to applications is allowed for individuals to perform their job.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate input controls that ensure that transactions are initially recorded, entered, and accepted by the application accurately and completely.
- By developing and testing a sample of transactions, evaluate processing controls, which ensure that transactions are processed by the application programs accurately and completely.
- Through inquiry and review of written policies and procedures, evaluate output controls, which ensure that output is complete and is delivered (standard or customized) to the appropriate parties in an appropriate manner.
- Through inquiry, review of written policies and procedures, and tests of a sample of transactions, evaluate interface controls, which ensure that transactions between multiple systems are secure, and integrity of the information transmitted is maintained, accurate and complete.

Phase III – Substantive Testing

Sampling is one of the methods we use to obtain efficiency in the audit process. In designing and implementing a sampling plan, we consider the specific audit objective to be achieved and determine that the audit procedures to be applied will achieve that objective. We will:

- Define the objective of the test.
- Define the population to be sampled, the population element to be examined (sampling unit), and what an error is.

- Determine which sampling technique is most appropriate.
- Determine the appropriate sample size and select a sample intended to represent the population.
- Examine each sample item to determine whether it represents an error or an exception.

Substantive Testing – The purpose of the substantive tests is to provide reasonable assurance of the validity of the information produced by the accounting system. These tests will include various detailed tests, such as inspection of underlying source documents, confirmations, and reconciliations. We will also perform analytical procedures, including ratio analysis, comparisons of actual-to-budget information, and other procedures. Specifically, tests that we have found to be effective and efficient for the City audits include confirmation of cash, investments, grants receivable, loan balances and debt, tests of subsequent receipts for selected receivables, and unrecorded liabilities for payables.

Consideration of Fraud – The primary responsibility for preventing and detecting fraud rests with those charged with governance and management. It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to occur, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance. Oversight by those charged with governance includes considering the potential to override controls or other inappropriate influence over the financial reporting process.

We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Accordingly, as part of our audit planning process, we will perform procedures to obtain information that will be used for identifying the risks of material misstatement due to fraud, such as the following:

- Discussions with management and others within the City. These discussions would focus on obtaining an understanding of management's: (a) assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency.
- of such assessments; (b) process for identifying, responding to, and monitoring the risks of fraud in the City, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist; (c) communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the City; and (d) communication, if any, to employees regarding its views on business practices and ethical behavior. We will also make inquiries of management and others within the City as appropriate to determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the City.
- Discussions with those charged with governance. We will obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the City and the internal control that management has established to mitigate these risks.
- Evaluation of unusual or unexpected relationships identified. Unusual or unexpected relationships, variances, or balances that we may identify during our preliminary analytical review procedures will be evaluated for an indication of risks of material misstatement due to fraud.
- Discussions among our audit team members. This discussion will involve exchanging ideas or brainstorming among our audit team members about how and where the City's financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the City could be misappropriated.

Adjusting Journal Entries – Adjusting journal entries proposed by our auditors, if any, will be discussed and explained to the Finance Director and others as appropriate. It is our practice to discuss issues and proposed audit entries with the program manager or management personnel immediately responsible for the program to ensure that we have not misunderstood that situation. This will ensure that the proposed entry or management comment and recommendation are accepted by the immediate manager and ensure that the recommendation is feasible and makes business sense. It is also our policy to address issues and resolve them as they arise rather than at the end of the audit. In short, there will not be any surprises.

Our work plan's final element is the regular reporting to City management personnel to apprise them of our progress. We believe communication is vital. Therefore, we have stressed the importance of continuous close relationships throughout this proposal and have indicated the various points we will meet for specific discussions and decisions.

Any and all potential exceptions or findings will be immediately discussed with knowledgeable personnel and summarized in weekly status meetings to ensure accuracy of any findings, time for management to correct noted deficiencies and the avoidance of any surprises.

Phase IV - Reporting

- Review federal, state, and other grant reporting requirements,
- Determine which internal control findings are significant deficiencies or material weaknesses,
- Prepare findings and draft the auditors' reports,
- Review draft reports with City management, and
- Evaluate management feedback and proposed corrective actions, make revisions as necessary, and finalize the report.

Ample time will be provided for management review of all reports in draft form.

Management Letter

After our audit, separate from any significant internal control deficiencies or items of noncompliance we may have identified and included in the respective auditors' reports, we will also provide our comments and observations for improvements to operating, accounting, and business practices. The diverse experience of our personnel and the fresh perspectives of our team members, combined with their independent and objective viewpoints, will likely yield valuable information. The findings and other comments will contain, as warranted and appropriate:

- Specific recommendations for improving accounting practices and procedures and the internal accounting and administrative controls.
- Comments on the design, controls, and audit trails of new and redesigned automated systems and suggestions to improve processing methods and procedures.
- Suggestions for operational improvements or cost efficiencies noted during our examination.
- Comments relative to ensuring compliance with the applicable laws, rules, and regulations, including Office of Management and Budget (OMB) and U.S. Government Accountability Office (GAO) guidance and regulations.
- Comments regarding the implementation of the new GASB pronouncements.

Other comments, recommendations, or observations regarding best practices that we believe may be of interest

b) Level of staff and number of hours to be assigned to each proposed segment of the engagement

	Hours				
	Planning	Internal control Evaluation	Substantive testing	Completion and Reporting	Total
Partner	6	2	7	21	36
Senior Manager	10	36	8	28	81
Supervisor	2	20	20	8	50
Audit Senior	9	60	120	64	253
	26	118	155	121	420

VASQUEZ + COMPANY LLP

c) Sample sizes and the extent to which statistical sampling is to be used in the engagement

Non-statistical sampling is most often employed in our internal control testing and compliance testing procedures during the Single Audit. The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance. The number of sample sizes will depend on the assessment of controls and the inherent risk of noncompliance in a major program.

d) Extent of use of information technology in the engagement

All staff members are skilled at utilizing public sector software programs and have extensive experience with cloud computing, AI, and data science. Our audit personnel have a wealth of experience in evaluating complex computerized accounting systems of governmental agencies. They are proficient at:

- Analyzing an organization’s information systems.
- Determine the controls and audit processes required to provide assurance that the information produced is reliable and that the system and data contained therein are secure.

Our audit staff generates all fund trial balances, lead sheets, and detailed working papers on laptop computers through either downloads or input of individual fund general ledger information. This process significantly reduces the time City personnel must spend preparing audit schedules.

The following tools are utilized in the audit process:

Our Tools

CASEWARE

Vasquez utilizes CaseWare electronic audit workpapers for a more efficient and intelligent audit process. CaseWare is also useful for financial analysis and reporting, including financial statement preparation.

To help manage the data flow for our testing, we utilize the Vasquez Citrix ShareFile, a secure and regulatory compliant tool, to manage the many requests more effectively and efficiently for information necessary to conduct an engagement of this size.

Office 365

Office 365 provides access to Office applications, online productivity services, and business services such as web conferencing, hosted email, and online storage.

IDEA Data Analysis Software

We use IDEA software to analyze data in unique ways and the audit sampling process.

ds

DataSnipper allows us to conduct automated document matching, text recognition, and document review and management.

e) Type and extent of analytical procedures to be used in the engagement

Non-statistical sampling is most often employed in our internal control testing and compliance testing procedures during the Single Audit. The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance. The number of sample sizes will depend on the assessment of controls and the inherent risk of noncompliance in a major program.

f) Approach to be taken to gain and document an understanding of the City's internal control structure

Analytical review techniques will be utilized to identify other areas that might require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can, thus, identify certain sensitive audit areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas that merit further investigation.

Based on our understanding of the City's operating environment, through our analytical review and other planning procedures, we will meet with the City personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas we know are important to the City Officials. Some of our preliminary audit concerns are elaborated as follows:

- Compliance with applicable laws, regulations, and reporting requirements
- All matters of compliance with GASB statements and interpretations
- Receipt of all revenue to which the City is entitled.
- Purchases are authorized and within budgetary limitations.
- Encumbrances and liabilities are recorded and charged to proper budgetary accounts.
- Proper accounting and disclosure of developer agreements and similar commitments
- Proper accounting for capital assets, including infrastructure assets.
- Proper recording of outstanding obligations

g) Approach to be taken in determining laws and regulations that will be subject to audit test work

An audit performed in accordance with *Government Auditing Standards* requires auditors to report on the City's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. Accordingly, we will test the City's compliance with certain regulations, such as compliance with budget preparation and budgetary requirements, investment reporting, and compliance with other contracts, such as bond covenants and grant agreements.

We will consider the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance) when performing all Single Audit test work. This means we will coordinate the Single Audit testing of major federal programs with the testing of internal controls and systems in conjunction with the financial statement audit. Each major program requires a separate opinion on compliance with federal rules and regulations. The scope of our testing will be sufficient and specific enough to allow opinions on each of the City's major programs. In addition, we will perform risk assessment procedures, including:

- Review of prior years' reported findings
- Consideration of the extent of continuing or new personnel assigned to administer each major federal program.

h) Approach to be taken in drawing audit samples for purposes of tests of compliance

The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. <u>Our sampling plan will conform to the AICPA's guidance for testing compliance.</u> However, the number of sample sizes will depend on assessing controls and the inherent risk of noncompliance in a major program.

Identification of Anticipated Potential Audit Problems

We do not expect any potential audit problems to arise. We tailor our services based on identified risks and address issues to meet the specific needs of our clients. We have implemented the following steps to prevent deliverability issues.

1. Equipment—All our auditors have the necessary equipment to work anywhere in the world. Our team members are provided with scanners, printers, monitors, and other equipment to ensure our personnel can work remotely.
2. Communication—Vasquez has digital phone lines linked to our personnel's computers and cell phones. This ensures that our personnel respond to our clients' needs within 24 hours.
3. Office 365 – Vasquez has fully implemented the Office 365 suite. This allows our personnel to collaborate with clients in a cloud-based environment. Some of these hub-based products include Microsoft Teams, SharePoint, and other video conferencing tools.
4. Audit and research tools – Vasquez uses CaseWare, an audit software package that allows teams to virtually work on projects in a secure environment. Our managers and partners can simultaneously oversee the work done by an engagement team.
5. Secured data room – Vasquez uses Citrix ShareFile to securely transfer data between clients and audit teams without file size restrictions. The portal has a document management process flow that easily tracks all the documents requested by the audit team so that all our clients have to do is drag and drop them into the portal. In addition, our clients and engagement teams get a daily update of all the documents that have been uploaded and those that are still open. This data flow allows us to monitor the progress of the audit at all times.
6. RSM Professional Services+ Practice – As a member of the PS+ Collaborative, we utilize the same tools, software, methodology, and specialists as the 5th largest accounting firm in the country. This allows us to stay current with the latest developments relevant to our clients, collaborate with firms across the country, and provide technical resources to our clients on the latest industry developments.
7. AICPA G400 – As a member of the top 1% of CPA firms in the country, we stay on top of all the latest developments in the audit profession, including how to address government funding and how to conduct a remote audit properly.
8. Global and multi-location experience – Vasquez has served clients with multiple locations in the US and worldwide for decades. This experience has taught us how to conduct procedures in a remote environment.
9. Flexibility – If our client records are not available electronically, we have the flexibility to send auditors to the client's site to audit records live.

Report Format

An example of an Annual Comprehensive Financial Report awarded the GFOA Certificate can be found at the following location for public access:

Sample Report

City of Modesto ACFR (https://www.modestogov.com/ArchiveCenter/ViewFile/Item/4280)

Contract Requirements

- 8.2. Endorsements – 8.2.5. – We are unable to provide a waiver of subrogation on professional liability insurance.
- 8.3. Deductibles and Self Insured Retentions – Our deductible is $150,000 and we mark this information as confidential.

Fees

Our fees for the services outlined in this proposal are based on our estimates of the time needed to complete the project at our standard hourly rates. The fees are based on the assumption that unexpected circumstances will not be encountered during the audit, along with the following:

1. City staff are available to answer questions within the agreed timeframe.
2. No instances of fraud that will require additional procedures.
3. City staff to prepare all financial statements/schedules.
4. All information requested is provided within the agreed timeframe.
5. No (0) major programs subject to the Single Audit Act.
6. The information provided is complete and correct for the year under audit.
7. Other unforeseen events such as:
   a. Accounting problems.
   b. Fraud.
   c. Changes in your business or business environment.
   d. Contractual difficulties with suppliers, third-party service providers, or clients.

	Year Ended June 30th				
	Contract Period			Option Years	
Basic Reports to be Issued	**2025**	**2026**	**2027**	**2028**	**2029**
City Audit, including ACFR and Memo of Internal Controls	$ 42,500	$ 43,775	$ 45,088	$ 46,442	$ 47,834
Annual Report of City Financial Transactions to State Controller	2,500	2,575	2,652	2,732	2,814
GANN Limit	500	515	530	546	562
Subtotal	$ 45,500	$ 46,865	$ 48,270	$ 49,720	$ 51,210

Hourly rates for additional scope of service:

	Auditors Standard Hourly Billing Rates				
	Contract Period			Option Years	
Position	**2024-2025**	**2025-2026**	**2026-2027**	**2025-2027**	**2026-2028**
Partner	$ 375	$ 390	$ 405	$ 420	$ 435
Manager	225	235	245	255	265
Senior	200	210	220	230	240
Staff	175	185	195	205	215
Clerical	140	145	150	155	160

PROPOSAL FOR PROFESSIONAL AUDIT SERVICES

FOR

CITY OF ROLLING HILLS

FOR THE YEARS ENDING
JUNE 30, 2025, 2026 AND 2027

Submitted
March 28, 2025

By

Fausto Hinojosa, CPA, CFE
Managing Partner
Price Paige & Company
Certified Public Accountants

570 N. Magnolia Ave., Ste. 100
Clovis, California 93611
Phone: 559-299-9540
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Email: *fausto@ppcpas.com*
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License No: 66479
Federal ID No: 87-3267876

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PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

March 28, 2025

Robert Samario
Finance Director
City of Rolling Hills
2 Portuguese Bend Road
Rolling Hills, CA 90274

Dear Mr. Samario and Auditor Selection Committee:

Thank you for considering Price Paige & Company for your audit services. It is our pleasure to present to you our proposal to provide professional audit services to the City of Rolling Hills (the City) for the years ending June 30, 2025, 2026 and 2027, with the option to renew for two subsequent fiscal years. When presented with viable alternatives, it is not always easy for entities such as the City to identify the accounting firm that can best meet their overall auditing needs. Over the past 40 years, we have developed significant expertise in governmental auditing and accounting. Our deep knowledge of the municipal environment has allowed us to develop more robust audit procedures that enhance the effectiveness of our audits.

Our audit professionals are highly qualified and have extensive experience and expertise in governmental auditing and accounting. The firm has been a member of the AICPA Government Audit Quality Center since its inception, and all our accountants take a minimum of 80 hours of continuing professional education every two years specifically related to the auditing and accounting services we provide. This commitment to learning yields a direct benefit to the clients we work with. Additionally, our firm has a well-earned reputation for ensuring audit engagements are performed in accordance with professional standards and, just as importantly, on time. We are committed to communicating effectively to ensure that we address your questions comprehensively. As demonstrated by our resumes and considerable involvement by the firm's audit principal, we feel that our firm has the resources, knowledge and expertise to meet and service the needs of the City. We can assure you that we fully understand the scope of work to be performed, and we wish to emphasize our commitment to meeting and exceeding all your expectations. We are committed to providing these services in accordance with the City's required timelines. Additional information about our firm's audit department and the services we offer can be found on our website, www.ppc.cpa.

We trust that this proposal to provide professional audit services will adequately summarize our approach to client service and identify those attributes that set Price Paige & Company apart from others. We appreciate the opportunity to submit this proposal to serve you and would be pleased to furnish any additional information regarding our firm or answer any other specific questions or concerns you may have. I am an audit principal for our firm, and I am authorized to make representations regarding this proposal. I may be reached at (559) 299-9540 or via email at *fausto@ppcpas.com.*

Sincerely,

Fausto Hinojosa, CPA, CFE
Managing Partner
Price Paige & Company
Certified Public Accountants

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

www.ppc.cpa

FIRM HISTORY AND QUALIFICATIONS

Established in 1976 and located in Clovis, California, Price Paige & Company consists of five partners each of whom is a Certified Public Accountant. The principals of the firm have more than 90 years of combined experience in public accounting. Our firm is comprised of over 60 professional, paraprofessional and administrative staff. More than 50% of Price Paige & Company's practice is in auditing and attestation services, primarily in the governmental and not-for-profit sectors. In addition, we provide services to many businesses in accounting, tax and management consultation in all areas.

Price Paige & Company is recognized in the community and by our peers as experts in the areas of governmental and not-for-profit auditing, attestation and accounting. Our proven commitment to excellence allows us to work with clients in the timeliest and most cost-effective manner possible. Our auditors are not seasonal; that is, they are not "tax accountants" who perform audits in the "off-season." They focus exclusively on providing audit services, and they receive over 80 hours of continuing education every two years, specifically related to improving their audit skills. The experience of our team allows us to conduct very efficient and effective audits.

We currently provide auditing, attestation and accounting services to more than 60 governmental agencies and 75 not-for-profit organizations annually, many of which are federal single audits. The breadth and scope of single audits we have conducted is significant, and we have experience auditing organizations with an excess of $100 million dollars of federal funding.

We will assign a team of personnel from our firm to your account to provide the range of services you have requested. This team is kept abreast of any significant developments that arise through our normal association with you. The most important aspect of this approach is to provide continuity to the engagement. We understand that the audit process requires two-way communication, and we accept our responsibility to listen to our client's concerns and deliver timely and effective solutions.

Proactive Rather than Reactive Approach to Client Service

A primary objective of our client service is to make positive contributions to our client's profitable operations, organizational efficiency and productivity. We work hard at anticipating problems and ensuring there are no surprises. We are creative and will always present alternatives for our client's evaluation rather than relying on the "textbook solution." We will schedule frequent meetings and utilize our management recommendation letters as tools for communication with you.

Smart Technologies

We use sophisticated data analysis software (IDEA) that allows us to perform specific fraud-detection tests on large amounts of data; in some cases, testing 100% of the transaction population. Some of the specific tests we perform include the following: duplicate payment tests, matching of employee and vendor addresses to identify potential conflicts and review of purchase orders to identify potential bid splitting. We believe our creative use of this value-added software tool allows us to perform more effective audits and gives our clients increased confidence in their financial reporting. For example, we have successfully implemented this data analysis software and testing at Fresno Unified School District, which is the third largest school district in the state, with a budget in excess of $800 million dollars.

All our audit engagements are performed utilizing a paperless and digital approach. Our auditing software allows us to increase our efficiency and provide a streamlined workflow. Documents and files can easily be retrieved and forwarded to our clients without the need for photocopying.

External Peer Review

The successful peer reviews our firm has received and our Engagement Quality Control Review program serve as evidence of our commitment to meeting the standards of care and performance applicable to our auditing, attestation and accounting practice, which demonstrate the extra measures we take to ensure continued successful compliance with our client's expectations about our quality and competence.

For your consideration, a copy of the firm's Peer Review Report is included in this proposal as listed on the table of contents. The firm received a "pass" report, and the review included specific not-for-profit, governmental and Uniform Guidance engagements.

We Conduct Peer Reviews

In addition to receiving successful peer reviews, **Price Paige & Company also *conducts* peer reviews** of other accounting firms. Essentially, we "audit" other auditors to ensure auditing and accounting standards are met. Being a peer reviewer requires us to understand the technical accounting rules, especially in the governmental and not-for-profit environments. We leverage our experience as technical peer reviewers in our audit engagements so that we can perform effective and efficient audits for all our clients.

Mandatory Qualifications

Licensure and Certification — The associates of Price Paige & Company are licensed Certified Public Accountants, certified by the California State Board of Accountancy (License #PART 8241). All team members assigned to the engagement comply with the 80-hour continuing education requirements promulgated by *Government Auditing Standards* issued by the U.S. Government Accountability Office.

Independence — Our firm is independent with respect to the City as defined by applicable standards generally in the United States as well as *Government Auditing Standards* issued by the U.S. Government Accountability Office.

No Conflict of Interest — Our firm's established policy is that we do not submit proposals for auditing, attestation or accounting services if there is a known conflict of interest with the potential client. There are no current or potential conflicts of interest with anyone (employees, management, officers or directors) within the City.

No Disciplinary Actions — Price Paige & Company has **never had any disciplinary actions** taken nor are any pending with the Federal or State regulatory bodies or professional organizations. In addition, we are pleased to affirm that we have never had an unresolved dispute related to accounting or auditing matters that resulted in disengagements. We work closely with our clients to develop solutions that are consistent with the accounting rules and auditing standards issued by the U.S. Government Accountability Office.

Additional Confirmations of Understanding

File Retention — We will retain working papers for seven (7) years following the completion of the audit.

Equal Opportunity Employer — Price Paige & Company is an equal opportunity employer. All employees are treated on their merits, without regard to race, age, sex, marital status or other factors not applicable to their position. Employees are valued according to how well they perform their duties, their demonstrated abilities and their enthusiasm toward maintaining the firm's standards of service.

Liability Coverage — Price Paige & Company maintains comprehensive General Liability Coverage and Errors and Omissions Insurance with a limit of at least $3,000,000. All required certificates of insurance will be provided to the City's management, should our firm be the successful bidder.

VALUE-ADDED SERVICES AND SUPPORT

The role of accountants has evolved over time in response to the client's needs. Our firm has made it a practice to be proactive with clients by providing value-added services, all of which are included as part of our audit engagement. Below are some of the value-added benefits that we provide to our clients at **no additional charge**.

Consultation on Accounting Matters

We provide our clients with guidance on technical accounting matters. We encourage our clients to communicate with us regarding any technical accounting matter, as it allows us to be proactive in the audit process. If the technical accounting questions are outside the scope of the audit or require significant research, we will communicate with management the appropriate cost for their approval before proceeding with any additional services.

Client Training

We believe it is important to give our clients access to a full range of information to help them stay aware of current accounting developments and financial reporting issues. As part of our client service program, we will periodically hold client training seminars and summary courses aimed at providing our clients with an understanding of relevant accountancy issues. Training sessions we have offered included the following topics: understanding and mitigating the risk of fraud, reading and understanding governmental and non-profit financial statements and understanding the impact of unrelated business taxable income activities.

At the request of our clients, we expect to offer more client training sessions on some of the following topics in the future:

- current and pending government accounting pronouncements,
- differences in grant accounting vs. GAAP accounting,
- understanding the risk of fraud in an organization.

As part of the value-added service included in our client engagements, we invite our clients and their board members to attend the training sessions, which we anticipate offering remotely through webinar or digital conferences.

Approach to Communication and Expectations of Our Clients

In order to meet and exceed your expectations, we are diligent about maintaining open communication throughout the entire engagement. In our experience, this results in a more effective engagement. Our approach depends on the timely response and assistance of the City. This cooperation will further ensure our work is completed in an efficient and cost-effective manner.

Additional Services Provided

In addition to financial statement audits, we also offer the following services: Internal Control Review, Forensic Accounting, Fraud Investigation, Agreed-Upon Procedures, Financial Statement Review and Financial Statement Compilations.

TEAM QUALIFICATIONS AND EXPERIENCE

We have an outstanding team of professionals who have established themselves as qualified competent individuals. We can assure you that each of our professionals is experienced in governmental accounting, GASB accounting pronouncements and Single Audit requirements. Following is a brief overview of their experience. Detailed experience for each of these professionals can be found in Team Resumes as listed on the table of contents.

	Years of Auditing / Accounting Experience
Audit Partner	
Fausto Hinojosa, CPA, CFE*	35
Quality Control Partner	
Joshua Giosa, CPA	18
Senior Audit Manager	
Osvaldo Gutierrez, CPA	17
Audit Manager	
Anthony Gonzales, CPA	10

* Denotes a reviewer in Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program.

Availability of Personnel and Time Requirements

Our level of staffing is more than sufficient to ensure that you receive a timely, efficient service. Should any of the above members of our team become unavailable, we will provide another equally qualified individual from our firm.

Continuity of Professional Staff and Succession Planning

Continuity of staff on engagements is as important to us as it is to our clients. Continuity promotes a thorough understanding of your needs and goals and helps us help you. A smooth transition from your existing firm to our firm will be accomplished as follows:

Communication — We stress communication early on with your staff to determine expectations, time frame for delivery of information and our extent and availability of assistance. We provide a written list of detailed information needed during our engagement, including critical due dates.

Experience — Members of our engagement team are very experienced in the operational, administrative and accounting and compliance issues related to governmental entities.

Quality — The firm maintains a rigorous quality control review process that includes not only a detailed review by a quality control manager and engagement partner but also an Engagement Quality Control Review (EQCR) as defined by AICPA standards.

Audit Approach — Our audit approach emphasizes effective up-front planning to identify issues for timely resolution.

FAUSTO HINOJOSA

Certified Public Accountant
Certified Fraud Examiner
California License # 66479

Present Position

Audit Partner

Education and Experience

Fausto is Audit Partner in charge of audit and forensic consulting engagements for Price Paige & Company. For over thirty years his practice has focused on audit and accounting, fraud investigation, forensic consulting, and litigation support services. Fausto serves as the Managing Partner for the Firm and is responsible for providing strategic leadership. He has worked professionally in the accounting field since graduating from California State University, Fresno, in 1990. He became a Certified Public Accountant in 1994 and a shareholder with Price Paige & Company in 1997. A Certified Fraud Examiner, Fausto has investigated numerous allegations of fraud and has been designated a fraud expert in various legal proceedings.

After more than 30 years in the profession, Fausto has developed significant expertise specifically in the areas of audit risk assessment, governmental and not-for-profit auditing, fraud detection and prevention, federal/state grant compliance and internal controls.

Fausto is the former Chair of the local Government Accounting and Auditing Committee for the California Society of CPAs and currently serves on the state committee. In addition, Fausto is a reviewer for the Government Finance Officers Association "Certificate of Achievement for Excellence in Financial Reporting" program. As the former Chair for the State Board of Accountancy Qualifications Committee, Fausto conducted audit workpaper reviews of CPA candidates in order to make licensure recommendations to the Committee.

Fausto is a former Adjunct Professor at Fresno Pacific University, where he taught an upper-division auditing course. He is a frequent lecturer to the California Society of CPAs and other professional organizations, business and civic groups on governmental and not-for-profit accounting and auditing, preventative fraud measures and the unique audit requirements for federal award programs under the Single Audit Act.

Professional Organizations and Community Involvement

- California Board of Accountancy Peer Review Oversight Committee — Vice Chair
- State Board of Accountancy Qualifications Committee — Past Chair
- Fresno Chapter of California Society of CPAs — Past President
- Association of Certified Fraud Examiners — Member
- American Institute of Certified Public Accountants — Member
- Government Accounting and Auditing Committee of the Fresno Chapter — Past Chair
- State Government Accounting and Auditing Committee of the California Society of CPAs — Member
- Government Finance Officers Association — ACFR Reviewer

JOSHUA GIOSA

Certified Public Accountant
California License # 119801

Present Position

Quality Control Partner

Education and Experience

Joshua began his accounting career at Price Paige & Company in January 2007 after graduating from California State University, Fresno. In June 2005, he received a Bachelor of Science in Business Administration with an option in Accountancy and became a Certified Public Accountant in 2013.

Joshua is a partner for many of the firm's municipal audits and all its consultation clients. Although his governmental auditing background dates to 2007, since 2011 he has worked almost exclusively with governmental agencies, including the planning, performing, and reviewing of financial statement audits, which often also includes the compilation of their financial statements. He has performed and overseen substantial grant compliance work on both federal and state programs, has conducted several single audits, and has prepared numerous State Controller reports.

Beginning in 2017, Joshua shifted his focus from auditing to consulting governmental agencies, including counties, municipalities, and special districts. During this time, he has worked very closely with finance department personnel to support their primary objective of providing timely and accurate information to the decision-makers of a given entity. Responsibilities have included assisting clients with closing their financial records and preparing audit schedules in preparation for their annual audits, preparing monthly bank reconciliations and any other reconciliations requested by management for internal purposes, providing guidance for implementing new accounting pronouncements, and providing guidance for improving internal controls. Additionally, he has assisted municipalities in implementing new accounting software and developing a new chart of accounts and fund structures. Joshua has extensive knowledge of the Government Accounting Standards Board pronouncements and has assisted his clients in the most complex of transactions.

Community and Affiliations

Joshua is a member of the American Institute of Certified Public Accountants, the California Society of CPAs and the Government Finance Officers Association. He is currently serving on the Board of Directors as the Treasurer for North Fresno Rotary Endowment and president of Bullard Youth Softball League. He was formerly on the Board of Directors as the Treasurer for Big Brothers Big Sisters of Central California and Fresno's Rotary Storyland/Playland. Joshua is also an honorary member of the North Fresno Rotary Club.

Continuing Education

Joshua is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards. Josh recently developed a training program for PPC staff and conducted training in courses such as *Accounting and Auditing of GASB 54*, *Auditing Enterprise Revenue and Receivables*, and *Risk Assessment for Government Agencies*. Recently attended courses include: *Governmental Auditing and Accounting Update, Advanced Financial Report, and Advanced Governmental Accounting.*

OSVALDO GUTIERREZ

Certified Public Accountant
California License # 122553

Present Position

Senior Audit Manager

Education and Experience

Osvaldo began his accounting career after graduating with an accounting degree from California State University, Fresno, in 2008 and became a Certified Public Accountant in 2014.

Prior to joining Price Paige & Company as an audit manager, Osvaldo worked with a large local public accounting firm at varying levels of responsibility up to and including audit manager and also spent two years in the private industry.

Osvaldo's extensive governmental accounting experience includes many years working directly with some of the largest municipalities in the Central Valley, including various counties, cities, special districts and transportation authorities. Osvaldo's specific experience includes managing multiple team members in the conducting of financial statements and federal single audits. Osvaldo has extensive knowledge of new and existing GASB pronouncements and prides himself on teaching and training clients as a part of the normal audit process. Osvaldo has performed audits and reviews for clients in a variety of industries, ensuring that all aspects of the engagement are completed from the planning process through the drafting, review and issuance of the financial statements.

Osvaldo also serves as an internal auditor for a local school district where he performs both financial and compliance audits, fraud prevention and investigations, policy and process improvement, and other duties as needed. He also performs consulting work to other municipalities as well that focus on internal controls, fraud investigations, and operational efficiencies

Community and Affiliations

Osvaldo is a member of the American Institute of Certified Public Accountants, the Government Finance Officers Association (GFOA) and the California Society of Certified Public Accountants, where he served as the Fresno chapter President (2020/2021).

Continuing Education

Osvaldo is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards and continues to take relevant courses to stay up to date on all relevant matters. He also serves as an instructor for in-house continuing education seminars.

ANTHONY GONZALES

Certified Public Accountant
California License # 1400083

Present Position

Audit Manager

Education and Experience

Anthony began his public accounting career as an intern with Price Paige & Company in January 2015 after graduating from California State University, Fresno, with a Bachelor of Science in Business Administration (Accountancy option). While working toward his degree, he interned for a statewide not-for-profit organization, where he gained valuable experience in the organization's accounting and finance department.

Anthony earned his Certified Public Accountant (CPA) license in May 2019 and now serves as an Audit Manager, overseeing audits for a wide range of governmental entities in California, including counties, cities, and special districts. In this role, he manages audit engagements, provides technical expertise, and ensures compliance with Government Auditing Standards and relevant regulatory requirements. Additionally, Anthony provides consulting services to similar entities, assisting in financial reporting, internal controls, and regulatory compliance.

Throughout his career, Anthony has developed specialized expertise through both formal training and hands-on experience. His areas of proficiency include performing audits in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS), single audit compliance in accordance with OMB Uniform Guidance 2 CFR Subpart 2, State Controller's reports, financial statement preparation in compliance with Yellow Book and GASB standards, and data extraction and analysis techniques.

Community and Affiliations

Anthony is a member of the American Institute of Certified Public Accountants (AICPA), the Government Finance Officers Association (GFOA), and the California Society of CPAs (CalCPA). In addition, he actively supports the accounting profession through his volunteer service on the Qualifications Committee for the California Board of Accountancy (CBA), where he has served since March 2023.

Continuing Education

Anthony meets the continuing education requirements of the AICPA and Government Auditing Standards. Recent courses attended include:

- Professional Conduct & Ethics: Dealing with Ethical Crises
- Financial Statement Analysis Techniques
- GAO Standards – Yellow Book Compliance
- SEFAs: Schedule of Expenditures of Federal Awards and the Requirements Under the Uniform Guidance
- Yellow Book and Single Audit Deficiencies
- Auditor Considerations: The Coronavirus State and Local Fiscal Recovery Funds Program
- Internal Control and Fraud in Governments and Nonprofits

Additionally, Anthony has delivered training sessions to fellow CPAs and accounting professionals on topics such as governmental accounting, the 2018 Yellow Book, and the Uniform Guidance.

RELEVANT PRIOR EXPERIENCE

After evaluating our relevant experience, we are certain you will agree that Price Paige & Company is highly qualified to serve you. We have been successfully performing audit and attestation engagements since 1976. We have since continued to build on our reputation as a well-respected firm in and around the San Joaquin Valley and throughout California, with the qualifications and experience necessary to provide unequaled performance. Following is a list of several of our clients for whom we have provided similar services and our primary contact for each:

Reference Name: City of Tulare
Contact: Mark Roberts, Chief Executive Officer
Address: 411 E. Kern Avenue, Tulare, CA 93274
Phone: (559) 684-4255
Email: *mroberts@tulare.ca.gov*
Services Provided: Financial Statement Audit (Single Audit/Uniform Guidance), Consulting
Dates: June 30, 2022 through Present

Reference Name: City of Ripon
Contact: Lisa Roos, City Clerk/Finance Director
Address: 259 N. Wilma Avenue, Ripon, CA 95366
Phone: (209) 599-2108
Email: *lroos@cityofripon.org*
Services Provided: Financial Statement Audit (Single Audit/Uniform Guidance), Pension Audit (GAAS), State Controller's Report
Dates: June 30, 2016 through Present

Reference Name: City of Los Banos
Contact: Brent Kuhn, CPA, Interim Finance Director
Address: 520 J Street, Los Banos, CA 93635
Phone: (209) 827-7000
Email: *brent.kuhn@losbanos.org*
Service Provided: ACFR Audit (Single Audit/Uniform Guidance), Received Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the Fiscal Year Ended June 30, 2020 from GFOA
Dates: June 30, 2014 through Present

Reference Name: City of Fresno
Contact: Ruthie Quinto, Assistant City Manager
Address: 2600 Fresno Street, Fresno, CA 93721
Phone: (559) 621-2489
Email: *Ruth.quinto@fresno.gov*
Services Provided: Measure P Financial Statement Audit, Internal Control Evaluation and Special Projects
Dates: June 30, 2022 through Present

Reference Name: City of Kingsburg
Contact: Alma Colado, Finance Director
Address: 1401 Draper Street, Kingsburg, CA 93611
Phone: (559) 897-5821
Email: *acolado@cityofkingsburg-ca.gov*
Service Provided: ACFR Audit (Single Audit/Uniform Guidance), Received Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the Fiscal Year Ended June 30, 2020 from GFOA, State Controller's Report
Dates: June 30, 2012 through Present

SCOPE OF SERVICES

As our experience indicates, we clearly understand the scope of services to be provided. You can be assured that we will design a service-specific approach to ensure compliance with all applicable standards and ensure that the City receives high-quality, efficient and effective service.

Standards/Publications to be Followed

The financial and compliance audits will be performed in accordance with the following auditing standards:

- Generally Accepted Auditing Standards (AICPA)
- *Government Auditing Standards* (U.S. Comptroller General)
- Provisions of the Single Audit Act Amendments of 1996 (Single Audit)
- OMB Uniform Guidance Title 2 U.S. Code of Federal Regulations Part 200
- All other applicable federal, state and local laws and regulations

Services to be Performed

The following services will be provided to the City for the years ending June 30, 2025, 2026 and 2027.

1. We will audit the City's basic financial statements in accordance with Generally Accepted Auditing Standards (GAAS) in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
2. We will express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the City and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.

   We will provide an "in-relation-to" opinion on the combining and individual fund and supporting schedules based on auditing procedures applied during the audit of the general-purpose financial statements and the combining and individual fund financial statements and schedules.
3. We will issue a Single Audit report on compliance with requirements that could have a direct and material effect on each major program and internal control over compliance in accordance with OMB Uniform Guidance 2 CFR Part 200 We will also prepare the related Data Collection Forms for Reporting on Audits of States, Local Governments and Non-Profit Organizations (Form SF-SAC).

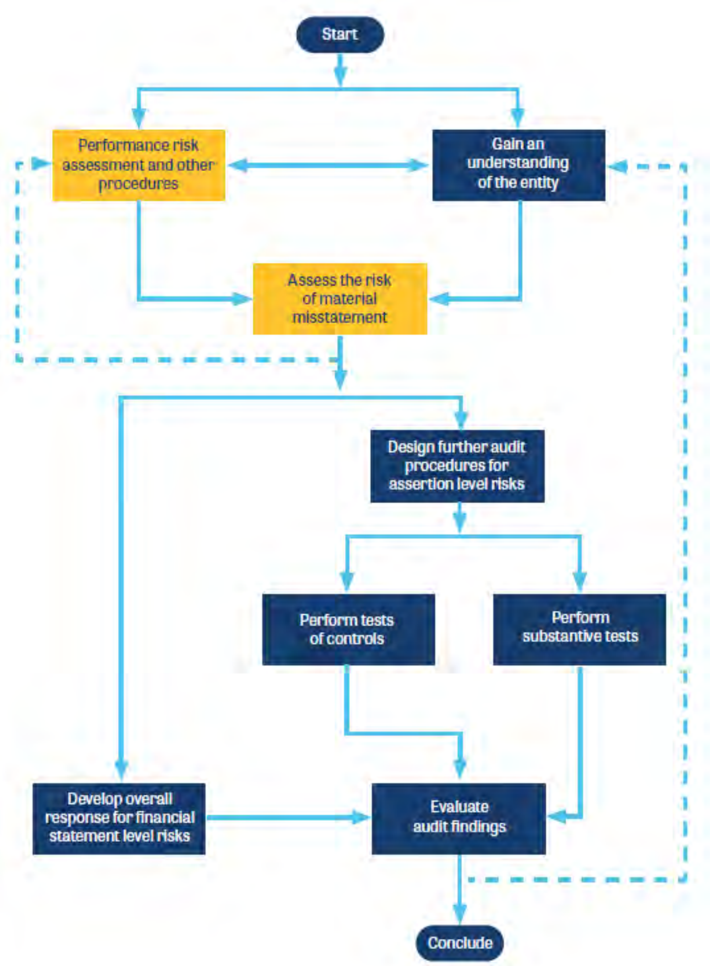
   We will issue an "in-relation-to" report on the schedule of expenditures of federal awards based on the auditing procedures applied during the audit of the financial statements.
4. We will report on internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*.
5. We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the appropriate level of management and/or governance.
6. We may provide management letters that would include findings, observations, opinions, comments and/or recommendations with regard to systems of internal control, accounting systems compliance with laws, rules and regulations, or any other matters that may come to our attention during the course of the examination.
7. We will prepare a written communication to the audit committee which will include the following information: (1) auditor's responsibility under generally accepted auditing standards, (2) significant accounting policies, (3) management judgments and accounting estimates, (4) significant audit adjustments, (5) disagreements with management, (6) management consultation with other accountants, (7) difficulties encountered in performing the audit.
8. We will test compliance with Proposition 111, Article XIII.B Review of Appropriation Limit Calculations for the City and prepare a GANN Limit calculation.
9. We will prepare and submit the State Controller's Office Financial Transactions Report.

AUDIT APPROACH

We are confident that we will provide high-quality services based on our experience in working with municipalities and other governmental entities of similar size and scope to yours. Our high client satisfaction rate can be attributed to our effective communication and our efficient proprietary audit methodology.

Audit Procedures and Phases of the Engagement

Price Paige & Company provides value to our clients by creating a custom audit approach that is based on a client's specific needs, risks and opportunities. Our audit approach under generally accepted audit standards is depicted in the graphic below.



Our professional responsibility is to obtain sufficient audit evidence before an opinion is rendered on any financial statement. To achieve this, we will conduct our work in the following phases:

- Audit Planning and Risk Assessment (Summer 2025, and thereafter, annually)
- Year-End Fieldwork (commence by October 2025, and thereafter, annually)
- Reporting (issuance no later than December 19, 2025, and thereafter, annually)
- Closing Conferences and Formal Presentation (at regularly scheduled City Council meeting)

Details about each of these phases are listed on the following pages.

Audit Planning and Risk Assessment

No other phase of the process affects the success of an engagement more than the time spent on planning the general scope and direction of the audit, including assessing the risks of financial statement misstatements. We will schedule audit planning and interim fieldwork to be done prior to final fieldwork with your personnel.

We will hold a planning session with the key members of our engagement team and your personnel.

During our planning session with management, we will also address *Statement on Auditing Standards (SAS) No.* 99, "Consideration of Fraud in a Financial Statement Audit." This auditing standard requires that we conduct certain meetings and interviews and perform and document certain procedures for identifying and responding to fraud risks.

As part of the audit planning and risk assessment phase of the audit, we will request a meeting with management to discuss our planned audit approach and any significant audit and accounting issues, as well as address any concerns.

As part of that process, we will conduct a pre-audit conference with appropriate management personnel to discuss the scope and timing of the audit.

The risk assessment audit standards require assessments based on an understanding of the internal controls over your financial reporting and our determination of the areas that present risks of material misstatement to your financial statements. We will then design our audit approach to include tests of the specific internal controls and substantive audit procedures that are tailored to the identified risks. Our risk assessment includes consideration of the factors depicted on the chart below.

Year-End Fieldwork

During the year-end phase of our audit, we will complete our audit work based on the audit programs designed specifically for the City. This will include the results of our risk assessment and interim testing results, and we will issue a report on the financial statements in a timely and efficient manner.

Reporting

This phase will include the following:

- reviewing the financial statements and reconciling them to underlying audited records,
- evaluating the financial statements for compliance with GAAP requirements,
- formulating an opinion as to the fair presentation of the financial statements and
- preparing a management letter with recommendations and communication letter to management.

We will immediately submit to management a written report of all irregularities and illegal acts, or indications of illegal acts, of which we become aware.

Audit Focus

Based on our audit experience with similar municipalities, the primary areas of the audit on which we will focus include:

- Cash and investments
- Receivables and revenue
- Capital assets
- Accounts payable and expenditures
- Cost allocation
- Long-term debt
- Pension liability
- Grant compliance
- Implementation of pronouncements of the Governmental Accounting Standards Board (GASB)

Closing Conferences and Formal Presentation

We believe regular communication with management will be a critical part of the success of our audit engagement. Therefore, we will provide regular updates to management regarding the progress of the audit during meetings with key personnel.

Additionally, the engagement partner will meet with management to review any potential adjusting journal entries, drafts of the management comment letter, communication with those charged with governance (SAS 114) letters and a draft of the financial statements.

We will complete our work in sufficient time to meet the applicable deadlines. We will make a formal presentation of the audit results and reports to the City Council and management at one of the regularly scheduled meetings of the Council, and will remain available to respond to their questions.

SINGLE AUDIT APPROACH

Our firm's approach to the Single Audit requirements, as specified in the Single Audit Act and OMB Uniform Guidance 2 CFR 200 Subpart F, are as follows:

Objectives

The objectives of the Single Audit are to determine the following:

- The financial statements of the reporting entity are presented in accordance with GAAP.
- The reporting entities internal control systems provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations.
- The reporting entity has complied with laws and regulations that have a material effect on the financial statements and on each major Federal assistance program.

Procedures

- Identify major and non-major programs and assess inherent and control risks.
- Perform substantive tests of compliance and tests of internal control over compliance for all major programs as required by the OMB Uniform Guidance 2 CFR 200 Subpart F.
- Sample sizes will adhere to the guidance found in the sampling chapter of the "AICPA Audit Guide, *Government Auditing Standards* and Uniform Guidance Audits".

Reports

The following reports relating to Federal assistance programs will be issued separately:

- Report on supplementary Schedule of Expenditures of Federal Awards. The schedule presents total expenditures for each program.
- Report on internal controls used in administering Federal financial assistance programs.
- Report on compliance with laws and regulations, identifying all findings of noncompliance and questioned costs, and expressing an opinion and other assurances on compliance.
- Report on fraud, abuse, or illegal acts, or indications of such acts, if discovered.

Submission

- The Data Collection Form and audit package will be prepared and transmitted to the Federal Audit Clearinghouse by the required deadline.

COST PROPOSAL

Description of Services	Total $ FY 2024-25	Total $ FY 2025-26	Total $ FY 2026-27	(Estimated) Total $ FY 2027-28	(Estimated) Total $ FY 2028-29
City Financial Statements	$ 48,900	$ 48,900	$ 50,856	$ 50,856	$ 52,890
Appropriations Limitation Calculation	1,000	1,000	1,040	1,040	1,082
Single Audit*	-	-	-	-	-
Total All-Inclusive Maximum Price	**$ 49,900**	**$ 49,900**	**$ 51,896**	$ 51,896	$ 53,973

* The fee estimate for a Single Audit is $8,000 for one major program. If there is more than one major program, the fee is $8,000 per additional program.

Staff Classification	Quoted Hourly Rate (2024-25)	Hours	Total
Partner	400	12	$ 4,800
Manager	275	24	6,600
Supervisor	230	30	6,900
Senior	180	50	9,000
Audit Staff	120	175	21,000
Support Staff	80	20	1,600
			$ 49,900

Our proposed fees are based upon our current understanding of the work to be performed as outlined under the Scope of Services, and we give you a "Total All-Inclusive Maximum Price" for these services. These fees are made with the following assumptions: 1) the City's books will be properly closed and reconciled, 2) records will be complete and readily available at the start of the engagement and 3) representations made to us during this proposal process will remain effective throughout the engagement.

In the event disclosures in the audit engagement indicate extraordinary circumstances that warrant more intensive and detailed services, we will provide to management in writing and in advance the reasons for the additional services together with the firm's estimate of costs, and a statement that no work will be performed without advance approval by the City. Any and all additional work as agreed in advance by the firm will be compensated for at the same rate quoted in this cost proposal.

Report on the Firm's System of Quality Control

To the Partners of
PRICE PAIGE & COMPANY
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Price Paige & Company (the firm) in effect for the year ended April 30, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

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Member Crowe Global

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Price Paige & Company in effect for the year ended April 30, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Price Paige & Company has received a peer review rating of *pass*.

GYL LLP

Ontario, California
October 17, 2024

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 13.C
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: KARINA BAÑALES, CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: CONSIDERATION OF PROPOSED EMPLOYEE SALARY SCHEDULE AND JOB CLASSIFICATION MODIFICATIONS

DATE: May 12, 2025

BACKGROUND:

In 2022, the City Council adopted the City of Rolling Hills Employee Handbook and Personnel Policy Manual (Attachment A), establishing policies for employee compensation, classification, and best practices in workforce management. The Handbook outlines a structured approach to setting and amending salary ranges, conducting regular compensation surveys to ensure market competitiveness, and authorizing classification studies to keep job descriptions and pay aligned with actual duties and responsibilities. Given the City's small staff and limited budget, conducting a classification and compensation study required a thoughtful, tailored approach to ensure the results truly fit the organization's unique needs. Unlike larger agencies, the City does not have a one-size-fits-all structure, so care was taken to review each position carefully. As is best practice, most agencies conduct comprehensive studies every five to seven years to promote fair compensation, legal compliance, and the recruitment and retention of qualified personnel.

Based on research performed, it is unknown when a study of this nature was last completed and presented to the City Council for consideration. In this instance, the City Manager conducted the study in-house, reviewing each classification and comparing job duties and salary ranges to comparable city positions. This approach allowed the City to balance best practices with practical experiences, ensuring the recommendations are both relevant and sustainable for Rolling Hills.

This evening, staff are asking the City Council to consider a few recommendations that will strengthen the City's ability to provide high-quality, responsive services to residents:

- Adoption of the updated City salary schedule and classifications;
- Approval to replace the Planning Director classification with Planning Manager, eliminate the Administrative Clerk/Bookkeeper position, and bring code enforcement in-house

under the new consolidated classification of Code Compliance Officer/Planning Technician; and

- Direction to begin recruitment for the revised and consolidated positions.

DISCUSSION:

As part of the City's ongoing commitment to strengthening internal operations and aligning services with community needs, staff recommend several key adjustments following the recent classification and compensation study. These recommendations are designed to ensure that the City remains an employer of choice, attracting and retaining highly qualified staff who are dedicated to delivering exceptional service to our residents.

The following discussion outlines the rationale for these recommendations, including a summary of the proposed salary schedule, an overview of the updated classification structure, and the operational benefits of filling these vacancies. Council approval will allow staff to move forward with these actions, strengthening City operations and enhancing the services provided to Rolling Hills residents.

Current Rolling Hills Salary Schedule:

Below is the current salary schedule for City of Rolling Hills classifications. As outlined in the Employee Handbook, this schedule is available on the City's website under the Finance Department webpage. The schedule is updated annually to reflect any cost-of-living adjustments that take effect on July 1 during the budget adoption process.

Full-Time Classification	**Monthly Minimum**	**Monthly Maximum**
City Manager	$16,172	
Planning & Community Services Director	$12,351	$12,785
Management Analyst	$6,449	$8,341
City Clerk/Executive Assistant to the City Manager	$6,488	$8,519
Senior Planner	$6,442	$8,333
Assistant Planner	$4,551	$6,085
Code Enforcement Officer	$4,551	$6,085
Administrative Assistant	$4,373	$5,795

Part-Time Classification	**Hourly Minimum**	**Hourly Maximum**
Bookkeeper/Administrative Clerk	$26	$33

Salary Survey of City Council Approved Cities

To remain competitive with comparable agencies, staff has developed an updated compensation schedule based on an analysis of City Council approved cities (Attachment A, page 14): Carson, El Segundo, Hermosa Beach, Hidden Hills, La Habra Heights, Lawndale, Lomita, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills Estates, and Signal Hill. This analysis ensures that salary ranges are both fair and market-driven, helping recruit and retain the talent necessary to serve the community effectively (Attachment B).

Proposed Salary Schedule for Current City Budgeted Positions

Proposed Salary Schedule

The proposed salary structure addresses the unique challenges faced by the City of Rolling Hills, particularly in filling specialized roles like Planning (Attachment D). First, the recommendation focuses on those classifications that are currently filled or expected to be filled soon, ensuring the proposed salary schedule is both timely and relevant. By utilizing the median salary, representing the middle of the market rather than the highest end, our approach balances fiscal responsibility with the need to offer competitive compensation. This thoughtful methodology positions the City as an employer of choice, supporting staff's commitment to excellent public service and organizational stability.

Secondly, Staff adopted a non-traditional approach to salary benchmarking that goes beyond the standard public sector methodology. Recognizing that Rolling Hills is not a one-size-fits-all organization, and that today's competitive market makes recruitment especially difficult, staff intentionally set the minimum salary range 5% below the lowest comparable agency.

This deliberate adjustment is designed to cast a wider net, encouraging applications from candidates who may not fit the traditional mold but bring valuable transferable skills, knowledge, and potential to grow within the City. By broadening the candidate pool in this way, Rolling Hills positions itself to attract diverse talent and address vacancies more effectively, while still maintaining a competitive and responsible compensation structure. This thoughtful, flexible strategy reflects the City's commitment to innovation and adaptability in meeting its workforce needs.

Additionally, the classification of City Clerk/Executive Assistant to the City Manager is recommended to be changed to City Clerk/Assistant to the City Manager, removing the "Executive" designation. This updated classification aligns with the scope of the role, which includes capital improvement project management, support of City Manager initiatives as directed by the City Council, and greater oversight of the City's budget.

Lastly, staff recognize that this may be the first-time staff are presenting a salary study before the City Council. Being mindful of that, Staff will ensure that any future changes in classifications or salaries are brought back to the Council for review and approval, ensuring transparency and alignment with the Employee Handbook and Personnel Policy Manual (Attachment A, pages 12-14).

Fiscal Impact:

There is no fiscal impact for fiscal year 2025-26 because all existing employees are currently above the low end of the proposed salary ranges.

Long term, the increase in the top end of the salary range will result in $142,380 in additional costs as employees will have the opportunity to move up to a higher threshold in their salary ranges through merit-based salary increases, separate from any cost-of-living adjustments (COLA) provided by the City's Handbook for employees.

Recommendation:

Staff seeks City Council approval of the recommended salary schedule reflecting current positions and salaries.

Planning Department Enhancements

Staff recommend restructuring to address current vacancies and strengthen succession planning within the Planning Department, emphasizing internal organizational growth and advancement opportunities.

Creating a Planning Manager Classification

Rather than recruiting immediately for a Planning Director, staff propose filling the vacancy with a Planning Manager position. This approach aligns with hiring trends and responds to recruitment challenges. It also broadens the candidate pool to include talented planners eager to advance their careers. Importantly, this structure creates a clear pathway for professional development: after two years of successful performance evaluations, the Planning Manager would be eligible for a re-classification change to Planning Director. This supports succession planning and ensures the department's leadership is well-prepared to navigate the City's complex regulatory environment and long-range planning initiatives. Staff has attached a draft list of duties (Attachment D).

Code Enforcement

Rolling Hills has seen its code enforcement approach evolve over the years, from part-time, in-house oversight to contracting with outside firms. As the community continues to grow and residents express a strong interest in timely code compliance, such as addressing dead vegetation, unpermitted construction, and other concerns, an opportunity exists to enhance the City's approach and better serve the community's needs. The contracted Code Enforcement Officer works 12 hours per week, two 6-hour shifts on Tuesday and Thursday.

Part-Time Administrative Clerk/Bookkeeper

The Administrative Clerk/Bookkeeper position became vacant in March 2025. The previous incumbent was responsible for arranging and attending morning and evening Planning Commission meetings. They prepared minutes, processed applications or Over the Counter Applications, Administrative Reviews, and Discretionary review applications. They also processed Construction & Demolition (C&D) Hauling Permits and assisted the Finance Department with processing payments and making deposits – to name a few.

The part-time Administrative Clerk/Bookkeeper position is also budgeted for 19 hours per week. By consolidating these roles into a single, in-house Code Compliance Officer/Planning Technician, the city can provide a more consistent and responsive level of service to the community.

Code Compliance Officer/Planning Technician

Based on the City's services and needs, staff recommend consolidating the roles of

Administrative Clerk/Bookkeeper and contract Code Enforcement Officer into a single, in-house Code Compliance Officer/Planning Technician. Bringing code enforcement in-house is more than just a staffing adjustment - it offers consistent enforcement and a deeper understanding of the community's unique needs. Beyond addressing violations, this role will also educate and engage residents, fostering a collaborative approach to maintaining Rolling Hills' high quality of life. Staff has attached a draft list of duties (Attachment D).
This consolidation streamlines operations and enhances efficiency, giving residents a point of contact for code compliance, public inquiries, inspections, and permit processing.

Fiscal Impact:
The creation of a Planning Manager with a salary range of $7,325 to $14,293 has no short-term fiscal impact. The current Planning Director position, currently vacant, was paid and is budgeted at $12,784 per month. This is at the higher end of the proposed salary range; thus, unless the Planning Manager is brought in higher than this level, there will be no fiscal impact. Long-term, assuming the Planning Director's salary was capped at $12,784 per month, then there would be a fiscal impact when the Planning Manager moves into the higher end of the salary range over several years.
With regards to the merger of Code Enforcement and Administrative Assistant/Bookkeeper roles and responsibilities, there is no short-term fiscal impact. At the low-end of the salary range ($5,078), the full estimated cost of the new position is $85,582. However, the current budget includes $62,880 for contracted code enforcement services and $25,332 for the existing Bookkeeper position, which totals $88,202 and is enough to cover the costs at that salary level. Over time, however, as the employee filling the new position moves up through the salary range, there would be some fiscal impact, although nominal, based on the assumption that the $62,880 budgeted for contracted code enforcement services would not otherwise increase each year as well.

Recommendation:
Staff requests City Council approval to replace the Planning Director classification with a new Planning Manager classification, eliminate the Administrative Clerk/Bookkeeper position, and bring code enforcement functions in-house under the new classification of Code Compliance Officer/Planning Technician. Staff also seeks direction to begin the recruitment process for these revised and consolidated positions.

CONCLUSION

The classification and compensation review presented is a targeted response to Rolling Hills' operational needs and current staffing challenges. The recommendations are grounded in a salary survey of peer cities and a careful review of internal roles, ensuring the City remains competitive and fiscally responsible. The proposed changes - updating the salary schedule, restructuring the Planning Department, and consolidating code enforcement and administrative support - are designed to streamline operations, improve recruitment, and enhance service delivery.

FISCAL IMPACT:
There is no fiscal impact in FY 2025–26, as current employees are above the proposed salary minimums. Long-term, merit-based increases could result in up to $142,380 in additional costs. The new Planning Manager position has no short-term impact and only potential long-

term costs if the employee exceeds the previous Planning Director's salary. The merged Code Enforcement/Bookkeeper role is budget-neutral at entry level, with minimal long-term impact as the employee progresses through the salary range.

RECOMMENDATION:

Staff seeks City Council approval of the following:

- Adoption of the updated City salary schedule and classifications
- Approval to replace the Planning Director classification with Planning Manager, eliminate the Administrative Clerk/Bookkeeper position, and bring code enforcement in-house under the new consolidated classification of Code Compliance Officer/Planning Technician.
- Direction to begin recruitment for the revised and consolidated positions.

ATTACHMENTS:
Attachment A - HR_EHB_220425_Final.pdf
Attachment B - HR_Salary Survey_20250512.pdf
Attachment C - HR_Proposed Salary Schedule_20250512.pdf
Attachment D - HR_Draft Job Duties for Planning Manager and Code Compliance Officer_Planning Technician.pdf

CITY OF ROLLING HILLS

EMPLOYEE HANDBOOK

AND

PERSONNEL POLICY MANUAL

Update: April 25. 2022

INTRODUCTION

Welcome to the City of Rolling Hills! We trust you will find working for the City professionally challenging, an excellent career opportunity, a positive experience and an environment that strives to provide a work / life balance. The City prides itself on excellent customer service, the highest level of professionalism, being responsive and communicative, maintaining a small-town, rural atmosphere, and sustaining the privacy of the community. City staff are committed to public service, excellence and efficiency in the provision of services, the ICMA Code of Ethics, and the principles of democracy and professional management afforded by the Council-Manager form of government. As a member of the City team, we look forward to your positive contributions in these areas.

This handbook has been developed to provide new staff persons with important introductory information regarding the City's personnel benefits and policies on matters relevant to all employees. On subjects not included in this handbook, please ask the City Manager or the Human Resources Director. Updates to the policies herein will be provided in separate announcements throughout your career with the City.

CITY ORGANIZATION

The City of Rolling Hills is a "contract city" that operates under the Council-Manager form of government. As a contract city, Rolling Hills contracts with the Los Angeles County Sheriff Department (Lomita Station) and Building & Safety Department (Lomita Office) for police and building permit services, respectively. Fire protection, water, electricity, natural gas, and road maintenance are also the responsibility of other non-City agencies. Under the Council-Manager form of government, the City is governed by five Council members who are elected at-large in municipal elections held every two years. City Council terms are staggered so that in one election, three members will be elected and in the next election, two members will be elected. The City Council hires a City Manager who is responsible for day-to-day operations of the City, implementing City Council policy and all aspects of staff supervision.[1] The City Council also hires a City Attorney for legal counsel.

Rolling Hills is a "general law" city and, as such, its authority is established under the California State Constitution. The City has an adopted Municipal Code that contains the ordinances of the City.

UNIQUE FEATURES OF THE CITY OF ROLLING HILLS

Rolling Hills is a private, gated community under the rules and regulations of two separate and unrelated agencies, the City of Rolling Hills and the Rolling Hills Community Association (RHCA). The RHCA has authority and responsibility for road maintenance, access into the City, architectural review, and all easements and trails. Under the auspices of the RHCA, the roads in the City are not public. They are private property

[1] The provisions of this Employee Handbook and Personnel Policy Manual apply to the position of City Manager; provided, however, that to the extent any provision in the contract for the City Manager conflicts with this Employee Handbook, the provision in the contract for City Manager shall prevail.

maintained by the RHCA. The City of Rolling Hills, in contrast, is responsible for land use regulation, building permits, environmental issues, traffic safety (e.g., roadway striping and signage), law enforcement through a contract with the Sheriff's Department, emergency preparedness, municipal elections, and other typical city functions. Approximately 75% of the City's revenues derive from property taxes with the remaining 25% basically from building permits.

Rolling Hills is also a residential community with no business or industrial activities. The community consists of only one-story, ranch-style, single-family homes. Properties are typically one or two acres. Each lot is required to have a barn and corral or area designated for a barn and corral. There are a total of twenty-three miles of equestrian and hiking trails. Some trails are connected to trails in the Palos Verdes Peninsula Land Conservancy or other peninsula-wide trails. There is also no leash law; dogs are free to roam throughout the community. These characteristics are intended to maintain the integrity and identity of Rolling Hills as a rural community.

As a City team member, it is important to understand the distinction between the City and RHCA in order to provide residents and the public with the best customer service.

IN ROLLING HILLS, SERVICE IS THE BUSINESS!

Local government is a service-oriented and public profession. City employees directly connect with the public in many different ways. In Rolling Hills, it is an expectation that members of the City team maintain a pleasant, friendly, and cooperative demeanor to each other and in all capacities when working and communicating with the public. Care should be taken to act in a professional and respectful, courteous manner at all times, for example, on the telephone, in written communications (emails and letters), and during encounters in public settings (at meetings, the public counter, and events). City staff must keep in mind that they are ambassadors of the City and represent the organization.

With service as our business, it is the responsibility of City staff to be responsive and helpful to residents and assist the public. In that capacity, City staff also has the responsibility to exercise sound judgment and appropriate discretion to circumstances and situations.

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CHAPTER I
PURPOSE AND APPLICATION

Section 1. Purpose: The purpose of the City of Rolling Hills Employee Handbook and Personnel Policy Manual is to establish lawful procedures for dealing with personnel matters.

The personnel provisions set forth herein constitute the personnel rules and regulations for the City of Rolling Hills. Employees are expected to read this Handbook carefully, and to know and understand its contents. The City reserves the right to make changes to this Handbook at any time without prior notice. Employees' at-will employment can only be changed by the City Council and by written agreement signed by the employee and the City Manager. Except as otherwise provided in this Handbook, no one has the authority to make any promise or commitment contrary to what is in this Handbook. Employees are responsible for knowing about and understanding those changes once they have been disseminated. The City also reserves the right to interpret the provisions of this Handbook.

This Handbook replaces all earlier Handbooks and supersedes all prior inconsistent policies, practices, and procedures.

Section 2. Application: These rules apply to all employees of the City of Rolling Hills unless a specific rule or procedure indicates otherwise.

Section 3. No Contract Created: These rules do not create any contract of employment, express or implied, or any right in the nature for a contract.

Section 4. Handbook Acknowledgement: Employees should sign the acknowledgement form at the end of this Handbook and return it to the City Manager or Designee. This will provide the City with a record that each employee has received this Handbook.

CHAPTER II
DEFINITION OF TERMS

DEFINITION OF TERMS

Unless the context indicates otherwise the following terms, whenever used in this document, shall be defined as follows:

Advancement: A salary increase within the limits of the pay range established for the position.

At-Will: All employment at the City is "at-will." This means that both employees and the City have the right to terminate employment at any time, with or without advance notice, and with or without cause. Employees also may be demoted or disciplined and the terms of their employment may be altered at any time, with or without cause, at the discretion of the City. Only the City Council has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this at-will status. Any such agreement must be in writing, must be signed by the employee and the City Manager, and must express a clear and unambiguous intent to alter the at-will nature of the employment relationship.

Nothing contained in this Handbook or any other documents provided to employees is intended to be, nor should it be, construed as a guarantee that employment (or any benefit) will be continued for a specific time period. For example, any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience. They are not intended to create an employment contract for one or more months or years. Employees should ask the City Manager if they have any questions about their status as an employee at-will.

City Manager's Designee: The person assigned to the Human Resources function (Human Resources Director).

Demotion: The movement of an employee from one class to another class having a lower maximum rate of pay. A demotion may be voluntary or involuntary.

Domestic Partner: A domestic partnership is legally established in California when all of the following requirements are met: both persons file a Declaration of Domestic Partnership with the Secretary of State; both persons have a common residence; neither person is married to someone else or is a member of another domestic partnership with someone else that has not been terminated, dissolved, or adjudged a nullity; two persons are not related by blood in a way that would prevent them from being married to each other in another state; both persons are at least 18 years of age;

either of the following: (a) both persons are members of the same sex; or (b) one or both of the persons are over the age of 62, and meet certain eligibility criteria pursuant to the Social Security Act; and both persons are capable of consenting to the domestic partnership.

Eligible: When used as a noun, means a person whose name is considered for appointment to a position.

Employment Eligibility List: A list of one or more names of persons who are being considered for a position vacancy generated from candidate resumes, the results of an examination, or some other method of identifying eligible persons.

Examinations:

(a) Open-competitive examination: An examination for a particular position which is open to all persons meeting the qualifications for the class.

(b) Promotional examination: An examination for a particular position, admission to the examination being limited to employees identified by the City Manager or Designee.

(c) Continuous examination: An open competitive examination which is administered periodically and as a result of which names are placed on an employment list, in order of final scores, for a period of not more than one (1) year.

Exempt: An employee not entitled to overtime compensation under the Fair Labor Standards Act.

Job Classifications: For the purposes of the City's personnel rules and regulations, each position title shall correspond to the City's list of classifications and salary range.

(a) Full-time Exempt: Various executive, administrative, and professional positions exempt from overtime requirements.

(b) Full-time Non-Exempt: Positions subject to overtime requirements and working 37.5 hours per week.

(c) Hourly Benefited: Positions known as regular part-time working twelve (12) months per year and an average of twenty (20) or more hours per week on a year-round basis. Benefits are provided to regular part-time employees on a pro-rated basis.

(d) Hourly Non-benefited: At-will positions also known as either seasonal part-time or part-time. These employees are sometimes referred to as "Temporary".

(e) Seasonal Part-time: A position utilized up to 37.5 hours per week on a seasonal or partial year basis, but not more than 1,000 hours per fiscal year. If an employee identified as seasonal part time works more than 1,000 hours in a fiscal year he or she does not acquire regular employee status.

(f) Part-time: A position with an average of 19.5 hours or less per week and no more than 1,000 hours per fiscal year. If an employee identified as part time works more than 1,000 hours in a fiscal year he or she does not acquire regular employee status.

Layoff: The involuntary separation of a regular status employee or reduction to a position in a lower classification because the position is no longer needed.

Personnel Ordinance: City of Rolling Hills Municipal Code, Title 2, as amended from time to time.

Probationary Period: A working test period during which an employee is required to demonstrate his or her fitness for the duties to which he or she is appointed by actual performance of the duties of the position. The probationary period or initial period of employment is considered a part of the examination process and shall be utilized for closely observing the employee's work to determine the employee's fitness for the position.

Promotion: The movement of an employee from one position to another position having a higher maximum rate of pay and different job duties from the previous position.

Provisional Appointment: A temporary appointment of a person who possesses the minimum qualifications established for a particular class, and who has been appointed to a position in the absence of available eligible personnel. This is sometimes referred to as an "Interim Appointment".

Reclassification: The change of a position from one position to another as a result of the gradual accretion or reduction of duties and/or responsibilities over time.

Regular Employee: A full-time employee who has successfully completed his or her probationary period and has been retained as an employee.

Regular Part-Time Employee: An employee who has successfully completed his or her probationary period.

Rejection: The separation of an employee from employment during the probationary period or examination process.

Reinstatement: The re-employment, without examination, of a former regular employee.

Temporary Employee: An employee who has been appointed to a full-time or part-time position of limited duration.

Transfer: A change of an employee from one position to another position in having the same maximum salary limits, involving the performance of similar duties and responsibilities, and requiring the same qualifications.

Y Rate: When an employee is moved to a different position with a lower salary range, the employee will retain his/her current salary until the salary of the new position has a maximum salary rate that is equal to or higher than the current salary.

CHAPTER III
GENERAL PROVISIONS

Section 1. Equal Employment Opportunity: It is the City's policy to provide equal employment opportunity for all applicants and employees. The City does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, national origin, ancestry, citizenship, age (40 years and over), mental disability and physical disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by local, state, or federal laws. Consistent with the law, the City also makes reasonable accommodations for disabled applicants and employees; for pregnant employees who request an accommodation [with the advice of their health care providers] for pregnancy, childbirth, or related medical conditions; for employees who are victims of domestic violence, sexual assault, or stalking; and for applicants and employees based on their religious beliefs and practices.

The City prohibits sexual harassment and the harassment of any individual on any of the other protected bases listed above. The City also prohibits retaliation against a person who reports or assists in reporting suspected violations of this policy, cooperates in investigations or proceedings arising from a violation of this policy, or engages in other activities protected under this policy.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of every manager and employee to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with the City Manager's Designee.

Section 2. Political Activity Prohibited: City employees shall not engage in political activities in violation of Government Code Section 3201 *et seq.* No one employed by the City may engage in political activities on City premises, while engaged in official duties, using City equipment, or wearing an official City uniform.

Section 3. Outside Employment: No employee may hold outside employment that is incompatible with his/her City employment. Each regular employee who holds any other position in addition to City employment shall submit a written request to the City Manager prior to accepting such employment.

Section 4. Employee Duties: Employees are required to carry out the primary duties and responsibilities of their employment.

Section 5. Violation of Rules: Violation of the provisions of these rules shall be grounds for disciplinary action.

Section 6. Amendment and Revision of Rules: Amendments and revisions to these rules must be recommended by the City Manager and approved by the City Council.

Section 7. Employee Standards of Conduct and ICMA Code of Ethics: Employees are requested to be mindful of the ICMA Code of Ethics and uphold the intent of the tenets and guidelines of the Code. Employees are required to adhere to the Employee Standards of Conduct (Chapter XXIII).

Section 8. Federal Taxes: Completion of appropriate IRS forms will be required of all personnel at the time of employment. The number of exemptions claimed will determine the amount of federal tax deductions.

Section 9. Social Security: All employees, full and part time, will be required to have a Social Security number and/or meet other legal requirements including proof of citizenship or permanent residency status at the time of employment. Social Security deductions will be made according to established schedule provided by government agencies.

CHAPTER IV
CLASSIFICATION

Section 1. Classification Plan: The City of Rolling Hills has an established list of classifications as follows:

Full-time Exempt
City Manager
Planning and Community Services Director
City Clerk/Executive Assistant to the City Manager
Senior Management Analyst
Senior Planner

Full-time Non-Exempt
Administrative Assistant, City Clerk Department
Code Enforcement Officer/Assistant Planner

Hourly Non-Benefited
Finance Director
Human Resources Director
Account Manager
Part-time Planning Technician, Planning Department

Each position in the City service is defined by specifications, including title, definition of the position, supervision received and exercised, a description of the duties and responsibilities of positions in each class, and the training, experience, and other qualifications to be required of applicants for positions in each class.

Section 2. Adoption, Amendment, and Revision of Plan: The list of classifications may be amended from time to time by resolution of the City Council.

Section 3. New Positions: When a new position is created, an employment eligibility list will be established before an appointment is made, unless the position is filled by a promotional appointment.

Section 4. Classification Studies: Classification studies shall be conducted from time to time to determine if the duties and responsibilities of a position have substantively changed, have become inequitably aligned in relation to other classifications within the City service, and/or are otherwise incorrectly designated. The City Manager or Designee shall conduct the classification study and as a result, a position may be reclassified to a more appropriate classification, whether new or already authorized, at a higher or lower maximum salary level.

After conducting a classification study of the position(s), the City Manager will recommend classification changes, if any, to the City Council for approval.

Section 5. Qualifying Examination: A reclassification with a title change that results in a salary increase above the old classification may require of the incumbent a qualifying examination to determine whether or not the incumbent possesses the minimum qualifications for the new class. The method for the qualifying examination shall be determined by the City Manager or Designee. It may be an interview, demonstration of skills and abilities, or a written examination. An incumbent proposed for a reclassification who does not pass the qualifying examination shall retain his or her original title until such time as he or she does pass the qualifying examination.

An employee whose position is being reclassified upward and who has demonstrated competency for the position, need not take a qualifying examination.

Section 6. Y-Rate: When a reclassification results in a lower maximum rate of pay for the incumbent, the incumbent shall be "Y-Rated" at the salary level he/she has earned up to that time.

CHAPTER V
COMPENSATION

Section 1. Compensation Plan: The City has established salary ranges covering all positions in the City service, showing the minimum and maximum rates of pay. The salary ranges can be found on the City's website under the Finance Department.

Section 2. Amendment of Plan: The compensation plan may be amended from time to time by action of the City Council.

Section 3. Comprehensive Compensation Survey: A Comprehensive Compensation Survey will be conducted as needed, to assure that the City's jobs are paid equitably against the labor market. The Survey will include each position and include labor market comparisons to:

Carson
El Segundo
Hermosa Beach
Hidden Hills
La Habra Heights
Lawndale
Lomita
Palos Verdes Estates
Rancho Palos Verdes
Rolling Hills Estates
Signal Hill

Section 4. Salary upon Initial Hire: The City Manager shall have the discretion to place the employee at a salary level within the salary range of the position into which the employee is hired.

Section 5. Merit Advancement: The City Manager has the authority and discretion to adjust all regular and part-time employee salaries within their range at any time. The City Manager shall justify a salary change within the range with documentation and based on the performance and skill-level of the employee.

Section 6. Evaluation: Each employee will be formally evaluated annually on the anniversary of his or her employment in regards to the employee's performance of his or her work responsibilities. In the evaluation, the City Manager will consider and evaluate the employee's salary for a potential merit advancement. If the evaluation is untimely and in the evaluation, the employee is deemed meritorious of a salary adjustment within the salary range, the employee will receive the increase retroactively. Performance evaluations and Annual Work Plans will be tracked by the City Manager or his or her Designee.

Section 7. Probationary Period: At the end of the probation period and annually thereafter on the anniversary date of hire, each employee will be evaluated by the City Manager with regard to work performance. An adjustment to the base salary within the salary range will be considered. Adjustments to the base salary are subject to the determination and approval of the City Manager; adjustments to the base salary upon completion of the probation period are not automatic.

Section 8. Effective Date of Increase: Salary increases shall be effective the first day of the pay period following the approved effective date.

Section 9. Salary on Promotion: An employee promoted to a position having a greater maximum salary will be placed at a salary that results in not less than a three and one-half percent (3.5%) increase above the employee's current regular salary. The City Manager may establish the salary at a higher level within the range.

Section 10. Salary on Demotion: An employee who is demoted will be placed within the salary range for the position into which demoted. The salary will be set at a level that is lower and closest to the salary the employee was receiving before the demotion.

Section 11. Salary on Reclassification: An employee whose position title is changed but will be performing similar duties will receive the salary set forth below.

(a) If the new position title maintains the same salary range, the salary will not change.

(b) If the new position title has a higher salary range, at the discretion of the City Manager, the salary adjustment will be determined in the same manner as a promotion.

(c) If the new position title has a lower salary range, the employee will be Y-rated.

Section 12. Pay Periods: Employees shall be compensated by paycheck or electronic transfers every two weeks. Checks or electronic transfers in payment for compensation will be made available by the City to employees.

Section 13. Bilingual Pay: The City does not provide a bilingual premium pay differential in addition to regular pay for employees who are requested by the City to use bilingual skills during their scheduled work hours on a recurring basis.

Section 14. Overtime:

(a) As a matter of general policy, the City does not permit employees to work overtime and will provide adequate staff to handle normal operations. However, non-exempt employees may be required to work overtime at the discretion of the City Manager.

(b) Overtime for non-exempt employees is defined as hours assigned to be worked and actually worked in excess of thirty-seven and one-half (37.5) hours in the designated work week.

(c) Non-exempt employees working overtime when not expressly authorized to do so shall be subject to discipline.

(d) Overtime assigned and worked by non-exempt employees shall be compensated at time and one-half their regular rate of pay. The employee may request, and the City Manager shall have the unrestricted discretion to approve or not approve, compensation in the form of accrued compensatory time at time and one-half pay, except an employee may not accrue more than thirty-seven and one-half (37.5) hours compensatory time at any time.

(e) If a non-exempt employee is required to work on an observed holiday beyond the regular thirty-seven and one-half (37.5) hour work week, he or she shall be entitled to pay at the rate of two (2) times the regular rate of pay.

(f) Employees who are exempt from the Fair Labor Standards Act (FLSA) are compensated on a salary basis and are not eligible for overtime.

Section 15. Acting Pay: An employee who is provisionally appointed to an acting or interim position that is in a higher salary range than that of the position title in which the employee is normally assigned shall receive acting compensation.

(a) Acting pay shall be provided only for appointments with duration greater than twenty-one (21) consecutive calendar days and shall be retroactive to the effective date of the acting appointment and continue until completion of appointment.

(b) Such acting appointments shall be made in writing by the City Manager.

(c) Compensation shall be at the entrance of the salary range of the acting position or a minimum of three and one-half percent (3.5%) higher than the employee receives, whichever is greater.

Section 16. Cost of Living Adjustment (COLA): Annually, employees will receive a COLA in their salary or hourly rate based on the month of March, Los Angeles/Orange County/Riverside Consumer Price Index (CPI) for all items. The COLA will be applied to employee salaries or hourly rates automatically not to exceed 3.5% on July 1 of every year based on the March CPI.

On July 1 of every year, position salary ranges will also adjust automatically. The salary range will adjust based on the month of March, Los Angeles/Orange County/Riverside CPI for all items not to exceed 3.5%.

Section 17. Exceptional Performance Recognition: The City's program for recognizing an employee's exceptional performance is described in Chapter XX.

CHAPTER VI
BENEFITS

Section 1. Retirement Plan:

(a) The City is a member of the Public Employees Retirement System (PERS). Eligible Regular employees of the City hired prior to December 31, 2012 are enrolled in the 2%@60 retirement program. Under PERS Regulations, employees hired on or after January 1, 2013 and who are considered "Classic" employees will be enrolled in the 2%@60 retirement program. Eligible Regular employees of the City hired on or after January 1, 2013 are enrolled in the 2%@62 and 2.5%@67 retirement program consistent with State Assembly Bills 340 and 197 enacted September 12, 2012 and City Resolution No. 1136. All conditions of PERS apply to all eligible Regular employees of the City of Rolling Hills.

(b) The pensionable compensation used to calculate the defined benefits paid to employees hired after December 31, 2012 will not exceed the maximum amount specified in the federal retirement system (United States Code Title 42 § 430(b), as may be amended from time to time); as adjusted annually based on changes to the Consumer Price Index for all Urban Consumers.

(c) Regular employees hired after December 31, 2012 pay 100% of the employee portion of the retirement program or 50% of the "normal cost," defined as that portion of the present value of projected benefits under the defined benefit plan that are attributable to the current year of service (also known as the "Member Contribution Rate as a percentage of payroll"), whichever is higher. Exercising its authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC), all employee's payments for the retirement program are tax deferred. For employees hired after December 31, 2012, the City is prohibited from making contributions greater than the amount specified in the federal retirement system.

(d) The final compensation is the average full time monthly pay rate for the highest 36 consecutive months. If the service is coordinated with Social Security, the final compensation will be reduced according to State law. "Compensation" is defined as the normal monthly rate of pay or base pay for the employee for services rendered on a full-time basis during normal working hours, pursuant to the City's pay schedule. It does not include pay for unused sick leave or time off or overtime pay.

(e) Employees are permitted to replenish their PERS out of their own funds, if they have chosen to remove those funds from PERS following termination of previous employment.

(f) All employees, full and part time, are required to participate in the Social Security System.

(g) Newly retired former employees, or employees of another PERS member, are required to sit out for at least 180 days before returning to work for the City to avoid forfeiture of their retired status. Such employees also cannot serve more than 960 hours in a calendar year. This subsection shall not apply to employees hired to fill a critically needed position, where the appointment has been approved by City Council in a public meeting.

(h) Any public official or employee who is convicted of a felony related to performance of his or her official duties, related to seeking an elected office or appointment, in connection with obtaining benefits, or committed against a child who the official or employee has contact with as part of his or her official duties, forfeits all pension benefits earned or accrued after the date of the conviction.

Section 2. Health and Life Insurance:

(a) The City maintains Workers' Compensation Insurance for work-related injuries. Group term life insurance, long-term disability insurance, health insurance, prescription drug, dental insurance, and vision insurance is also provided for all Regular Exempt and Non-Exempt full-time employees who have successfully completed their twelve month probationary period.

(b) The City of Rolling Hills provides 100% of the single-party premium for health, dental, and vision insurance, inclusive of prescription drug coverages within the health plans, of each Regular employee who has successfully completed their probationary period. The City will pay 80% of the premium for the eligible dependents of Regular employees up to a maximum monthly family premium of $1,642.21 based on the 2015 rate for the Anthem Traditional HMO plan. The City will contribute up to a maximum monthly premium of $202 for dental insurance based on the 2015 rate for Met Life DPPO plan and up to a maximum monthly premium of $30 for vision insurance based on the 2015 rate for VSP plan[2] following successful completion of the Regular employee's probationary period.

[2] Resolution 1249 sets the City's monthly contribution to insurance premiums for the eligible dependents of regular employees for calendar year 2020, 2021, 2022 and 2023 as follows: (1) health insurance up to a maximum of $1,658.42; (2) dental insurance up to a maximum of $204.02; (3) vision insurance up to a

Information describing coverage is available from the Finance Department.

(c) Through the implementation of an IRS compliant Section 125 plan, the City will provide Regular employees with the ability to withhold pre-tax income from his/her salary to pay his/her portion of insurance premiums.

Section 3. Credit Union:

(a) Applications are available to all employees for membership in the F & A Federal Credit Union. Automatic payroll deductions may be arranged.

Section 4. Deferred Compensation and Employment Longevity Plan:

(a) The City of Rolling Hills offers an employee funded deferred compensation program. Applications are available in the Finance Department.

(b) According to the following schedule, effective July 1, 2009, the City of Rolling Hills will match employee contributions up to the IRS limit.

Years of service	***City match to employee's contribution (up to __% of salary)***
0 - 1.99	***0%***
2 – 2.99	***1%***
3 – 5.99	***2%***
6 – 8.99	***3%***
9 – 11.99	***4%***
12 – 14.99	***5%***
15+	***6%***

Section 5. Other benefits:

(a) The City provides single-party health coverage for its Regular employee retirees through PERS. Heath plan options and terms of the program are governed through the City's contract with PERS. Regular employees hired after December 31, 2012 will be qualified to receive single-party retiree health coverage from the City providing 1) the Regular employee retires from the City of Rolling Hills and 2)

maximum of $30.30. The maximum contribution for each policy will be increased by 2% for calendar year 2024 and beyond.

the Regular employee has been in the employment of the City of Rolling Hills for a minimum of 5 consecutive, uninterrupted years.

(b) A surviving beneficiary of a current or former employee hired before January 1, 2013 will receive benefits through PERS, as appropriate to individual circumstances. The terms of these benefits are specified in the City's contract with PERS.

CHAPTER VII
HOURS OF WORK

Full-time employees are assigned to the 9/75 flex plan under which they will work seventy-five (75) hours in a nine (9) day period.

Section 1. The 9/75 Plan: Full-time employees work 37.5 hours over a 5-day workweek exclusive of meal periods as follows:

Alternating Week 1		Alternating Week 2	
Mon - Wed:	7:30am to 5:00pm	Mon - Wed:	7:30am to 5:00pm
Thursday:	7:30am to 5:00pm	Thursday:	7:30am to 3:30pm
Friday:	7:30am to 5:00pm	Friday:	off

Section 2. Alternate Work Schedule: Full-time employees may be assigned to work days or hours other than those set forth in Section 1.

Section 3. Work Week Defined: The work period or work week will begin at 12:01 p.m. on Friday and end the following Friday at 12:00 noon for all full-time employees working under the 9/75 work schedule if the employee is scheduled to be off every other Friday.

Section 4. Work Week Schedule Change: The City may change the work week when public necessity or convenience so requires.

Section 5. Request to Change Schedule: Employees for whom personal necessity requires a different schedule than above, may make a request for the alternate schedule to the City Manager. Alternate schedules must begin no earlier than 7:00 a.m. and end no later than 6:00 p.m. and will not include a shorter meal period than below.

Section 6. Meal Period: Because City employees are public employees the sections of the California Labor Code regarding mandatory meal and rest periods are not applicable. Meal periods are non-paid and nonworking time and shall be one hour for all full-time employees. Every effort will be made to schedule such meal period during the middle of the shift.

CHAPTER VIII
APPLICATIONS AND APPLICANTS

Section 1. Announcement: All recruitments for positions shall be publicized by means as the City deems advisable. The announcements shall specify the title and pay of the position, duties and responsibilities of the work to be performed, minimum requirements established, the manner of making application, and other pertinent information.

Section 2. Application: Applications shall be made as prescribed on the announcement. Application forms shall require information covering training, experience, and other pertinent information. All applications must be signed by the person applying.

Section 3. Disqualification: The City Manager or Designee may reject any application which indicates on its face that the applicant does not possess the minimum qualifications required for the position or for any material cause which, in the judgment of the City Manager or Designee would render the applicant unsuitable for the position. Falsification of any information presented on the employment application shall be grounds for rejection/disqualification from the recruitment and/or termination from employment, if applicant is appointed to the position.

Section 4. Prohibition Against Nepotism: It is the policy of the City to seek the best possible candidates through appropriate search procedures. The City seeks to eliminate or limit even the appearance of impropriety where possible. As such, the City has adopted the following policy regarding application and/or hiring of employee relatives.

For purpose of this policy, “relative” shall mean a spouse, domestic partner, parent, parent-in-law, step-parent, legal guardian, sibling, step-sibling, sibling-in-law, child, step-child, child-in-law, legal ward, grandchild, or grandparent.

Each applicant is required to disclose the identity of any relative who is a current employee. An applicant’s failure to disclose a relative who is a current employee may result in the rejection of the applicant or future disciplinary action against the applicant after employment, up to and including termination.

Relatives of current employees shall not be hired into positions in which one relative may supervise, directly or indirectly, any other relative. One or more of the following roles, undertaken on a regular, acting, overtime, or other basis shall constitute direct or indirect supervision:

1. Occupying a position in an employee’s direct line of supervision;

2. Functional supervision, such as a lead worker, crew leader, or shift supervisor; or

3. Participating in personnel actions including, but not limited to, appointment, transfer, promotion, demotion, layoff, suspension, termination, assignments, approval of merit increases, evaluations, and grievance adjustments.

Relatives of current employees shall not be hired into positions in which one relative may work in a capacity which would allow a current employee to evaluate or control the terms, conditions, and/or performance circumstances of employment of a relative. Relatives of current employees shall not be hired into any position in which the employment of such relative has the potential for adversely impacting the supervision, safety, security, or morale of other employees. The City shall review each applicant who is a relative of a current employee to determine whether hiring the applicant would result in any of the prohibited situations. If the City Manager or Designee finds that any of those situations exists, then the applicant may be rejected, or may be considered for employment in a position that does not present the above situations.

Current employees shall not participate, directly or indirectly, in the recruitment or selection process for a position for which a relative is an applicant. Current employees having hiring powers or authority to recommend hires shall not, either directly or indirectly, seek to influence or assist in the hiring of any relative to any position within the City. Current employees shall not participate or interfere in, or otherwise attempt to influence, any personnel actions affecting his or her relative including, but not limited to, transfer, promotion, demotion, layoff, suspension, termination, assignments, approval of merit increases, evaluations, and grievance adjustments.

Change In Status. Current employees must report a change of status to the City Manager or Designee in advance of the effective date where feasible, but in no event later than a reasonable time after the effective date of the change of status. For purposes of this policy, “a change of status” is the change in the legal status or personnel status of one or more current employees.

1. Changes in legal status include but are not limited to marriage, divorce, separation, or any such change through which a current employee becomes a relative or ceases to be a relative of another current employee.

2. Changes in personnel status include but are not limited to promotion, demotion, transfer, re-assignment, resignation, retirement, or termination of a current employee who is a relative of another current employee.

Within thirty (30) days from receipt of notice, the City shall undertake a case-by-case consideration and individualized assessment of the particular work situation to determine whether the change of status has the potential for creating an adverse impact on supervision, safety, security, or morale. The City Manager or Designee shall make a good faith effort to regulate, transfer, condition, or assign duties in such a way as to minimize problems of supervision, safety, security, or morale. Notwithstanding this, the City retains the right to exercise its discretion to refuse to implement a change in personnel status due to its potential for creating an adverse impact on supervision, safety, security, or morale.

The City shall reasonably monitor and regulate both relatives' conduct and performance for a period of one (1) year from the date of the determination. If the City determines that a change of status has caused potential for creating an adverse impact on supervision, safety, security, or morale, the City shall re-visit the prior determination.

Depending on the nature and severity of the situation, the City may transfer one of the relatives to a similar position that would not be in violation of this policy. The transfer will be granted provided the relative qualifies and there is an opening to be filled. There can be no guarantee that the new position will be within the same classification or at the same salary level. If the situation cannot be resolved by transfer or by good faith efforts to regulate, transfer, condition, or assign duties in such a reasonable way that would not be in violation of this policy, one of the relatives must separate from City employment.

Pre-Existing Relationships. Where situations exist prior to the effective date of this policy that may be in conflict with these rules, reasonable efforts shall be made to address the situation so as to minimize potential problems of supervision, safety, security, or morale and to avoid future conflict.

CHAPTER IX
EXAMINATIONS

Section 1. <u>Types of Examinations</u>: The selection techniques used in the examination process shall measure the knowledge and abilities of the applicants to execute the duties and responsibilities of the position to which they seek to be appointed.

Examinations shall consist of selection techniques which will test fairly the qualifications of candidates. The City Manager or Designee may select the appropriate examination(s) to be utilized in the selection process.

Section 2. <u>Promotional Examinations</u>: All candidates for promotion must meet the minimum qualifications identified by the City Manager or Designee.

The City Manager or Designee will determine whether the examination is open competitive or a promotional appointment.

Section 3. <u>Continuous Examinations</u>: Open-competitive examinations may be administered periodically for a single position as the needs of the service require. Names shall be placed on employment lists, in order of final scores, for a period of not more than one (1) year, unless extended by the City Manager or Designee.

Section 4. <u>Conduct of Examinations</u>: The City Manager or Designee will determine the manner and methods and by whom examinations shall be prepared and administered.

Section 5. <u>Reasonable Accommodation in Testing</u>: Should an otherwise qualified applicant who is disabled request a reasonable accommodation for any part of the testing process the City may modify the process to reduce or eliminate the testing barrier.

Section 6. <u>Background Investigations</u>: Following a conditional offer of employment, each prospective employee shall submit to a criminal background check. The City does not consider, distribute, or disseminate information about any of the following while conducting a criminal background check in connection with a job application: an arrest not followed by a conviction, except when the applicant is out on bail or his/her own recognizance pending trial; a referral to or participation in a pre-trial or post-trial diversion program; and a conviction that has been sealed, dismissed, expunged, or statutorily eradicated pursuant to law.

If the City's criminal background check reveals an applicant's prior conviction, the City shall conduct an individualized assessment to determine whether the conviction has a direct and adverse relationship with the specific job duties that may justify denying employment. The following factors shall be considered as part of the individualized assessment: the nature and gravity of the offense or conduct; the time that has passed since the offense or conduct and completion of the of the sentence; and the nature of the job held or sought.

If the results of the City's individualized assessment justify denying employment the applicant shall be provided with notice and an opportunity to respond within five business days. Written notice of the preliminary decision to deny employment shall be provided to the applicant. The written notice shall contain the identity of the disqualifying conviction, a copy of the conviction history report, an explanation of the applicant's right to respond to the notice before a final decision is made, notice of the deadline to respond within five business days, and an explanation informing the applicant that the response can include evidence challenging the accuracy of the conviction history report and/or evidence of rehabilitation or mitigating circumstances.

If the City makes a final decision not to hire the applicant based on the conviction history after considering the applicant's response the City shall provide a final determination notice that includes notice of the final denial, any existing procedure the City has for the applicant to challenge the final decision, and the applicant's right to file a complaint with the Department of Fair Employment and Housing.

Section 7. <u>Immigration Reform and Control Act of 1986</u>: In compliance with the Immigration Reform and Control Act of 1986, all new employees must verify identity and entitlement to work in the United States by providing required documentation.

Section 8. <u>Notification of Selection Process Results</u>: Each person competing in an employment selection process shall be given notice of the results from the examination.

CHAPTER X
EMPLOYMENT ELIGIBILITY LISTS

Section 1. Employment Eligibility Lists: As soon as possible after the completion of a continuous examination, the City Manager or Designee will prepare and keep available an employment eligibility list consisting of the names of applicants who qualified in the examination, arranged alphabetically.

Section 2. Removal of Applicants from Lists: The name of any person appearing on an employment eligibility list shall be removed by the City Manager or Designee if the person eligible requests in writing that his or her name be removed, fails to respond to a notice mailed to his or her last known address, or has been certified for appointment and has not been appointed.

Section 3. Use of Employment Eligibility Lists: A vacant position may be filled by the appointment of a person whose name is on an employment eligibility list for the position.

CHAPTER XI
METHOD OF FILLING VACANCIES

Section 1. Types of Appointment: All vacancies shall be filled by re-employment, transfer, voluntary demotion, promotion, or from eligible applicants by a process deemed appropriate by the City Manager or Designee.

Section 2. Appointment: After interview(s) and an examination if deemed necessary for the selection of a candidate, the City Manager or Designee shall thereupon notify the person of the conditional offer of appointment, subject to passing a required medical examination and all background investigations.

Section 3. Temporary Assignments: Employees may be temporarily assigned higher or lower duties without a change in pay. Such action shall not be deemed as a transfer, demotion, promotion, or reclassification. In all cases where periodic or regular variations in assignments occur because of seasonal needs, the temporary change of duties or a change of the work schedule shall be considered as incidental to the position.

Section 4. Extended Assignment to Vacant Higher Position: Employees assigned to perform duties in a vacant higher level regular position in excess of twenty-one (21) consecutive calendar days as authorized by the City Council shall be entitled to a salary rate increase to the higher level for the time actually worked in the assignment. (See CHAPTER V, Section 15, Acting Pay.) The duration of such assignment to a vacant higher position shall not exceed one (1) year. It is the responsibility of the City Manager to adjust the salary rate increase.

CHAPTER XII
PROBATIONARY PERIOD

Section 1. Probationary Period: Upon initial and promotional appointment to a position, an employee must serve a probationary period of 1 year of actual and continuous service. Periods of time on paid or unpaid leave excluding five (5) days or less automatically extends the probationary period by the number of days the employee is on leave. The City Council may, by resolution, establish a longer probation period for a specified classification prior to the time of an appointment. Continuous service with the City in a temporary position may be calculated into the probationary period upon hiring the individual into a regular position at the discretion of the City Manager. Completion of the probationary period does not entitle an employee to continued employment for any length of time. Completion of the probationary period does not alter the at-will nature of the employment.

Section 2. Purpose of Probationary Period: During the probationary period, the City Manager shall review, examine, and monitor the conduct, capacity, efficiency, skill, responsibility, integrity, and effectiveness of an employee to determine whether the employee is fully qualified for employment in the position to which the employee has been appointed.

Section 3. Extension of Probationary Period: The probationary period may be extended by the City Manager for a period up to six (6) months by written notice to the employee prior to the expiration of the original probationary period.

Section 4. Reduction of Probationary Period: The probationary period may be shortened by the City Manager.

Section 5. Rejection During Probation: At any time during the probationary period an employee may be rejected from employment without cause and without right of appeal.

Section 6. Rejection During Probation From a Promotional Position: A promoted employee who has attained regular status in another position of City employment who does not successfully complete the probationary period in the promoted position may be returned to the former position without right to review or appeal unless terminated for cause.

Section 7. Use of Leave During Probation: Accrued sick leave may be used any time by the probationary employee during the probationary period. Vacation leave hours are accrued during the probationary period, but shall be available for use upon completion of 1 year of service unless otherwise approved by the City Manager.

CHAPTER XIII
ATTENDANCE AND LEAVES

Section 1. Attendance: Full-time employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays, and leave. Absence of any employee without leave may result in disciplinary action, including discharge.

Section 2. Vacation Leave: Vacation is a right, earned as a condition of employment, to a leave of absence with pay for the recreation and well-being of the employee. If an employee has exhausted sick leave, vacation may be used for sick leave upon request of the employee and with approval of the City Manager.

(a) Employees shall accrue, on a pro-rata basis, vacation leave for completed pay periods. Such vacation allowance shall be available for use on the first day following the pay period in which it is earned; however, vacation allowance shall be available for use after one year by a probationary employee.

(b) All Full-time employees accrue vacation as follows:

Years of Service Completed	Vacation Days Accrual
0 – 3	5/6 day per month
3	1 day per month
5	1 1/4 days per month
10	1 2/3 days per month

(c) Maximum Accrual: Employees shall be permitted to accumulate a maximum of 40 days of vacation leave or the maximum amount accumulated in a two-year period of employment, whichever is less. Employees who have accumulated the maximum amount of vacation leave shall accrue no further vacation leave until they use sufficient leave to fall below the maximum that may be accumulated.

(d) Waiver of Maximum Accrual: A waiver must be requested by the employee and approved by the City Manager, for a period not to exceed thirteen (13) pay periods per fiscal year. If, at the end of the waiver period the maximum accrual amount is exceeded, vacation accrual for the affected employee will stop. No further vacation time will be accrued until the employee’s vacation leave balance is below the maximum accrual amount. In the event that the failure to utilize vacation past the thirteen pay period waiver is due to the City’s inability to allow an employee to take vacation (as opposed to an employee’s delay and/or failure to request vacation time off), the employee may, with City Manager authorization, continue to accrue vacation.

(e) Vacation Leave Cash Out Option: In December of each year, if an employee has over two weeks of accrued vacation after using accrued vacation leave for one week (37.5 hours) of vacation during the calendar year, he or she may “cash out” up to two weeks of the accrued vacation (75 hours) at his or her base rate of pay.

(f) The minimum charge against accumulated vacation leave shall be fifteen (15) minutes or multiples thereof. Vacation leave shall be compensated at the employee’s base rate of pay.

(g) The time during a calendar year at which an employee may take his or her vacation shall be determined by the City Manager with due regard for the wishes of the employee and particular regard for the needs of the City.

(h) All vacation leave requests shall be made with as much advance notice as possible, and prior approval must be given by the City Manager. When circumstances warrant and advance notice is impractical, the City Manager may approve the use of vacation leave for emergency absences. If an employee does not request time off in advance and simply does not show up for work, the City Manager may deny the use of vacation time or any leave accruals, and said employee may be subject to disciplinary action.

(i) When a fixed holiday falls within a vacation period, the holiday time shall not be charged against an employee’s earned vacation benefits.

(j) Employees who terminate or retire shall be paid for all accrued vacation leave earned at their base rate of pay at the time of their separation of employment.

(k) Employees on Unpaid Leave: Employees on Unpaid Leave do not accrue Vacation Leave.

(l) Employees not Eligible for Vacation: All part-time employees including temporary, emergency, and seasonal part time, do not accrue Vacation Leave.

Section 3. Paid Sick Leave: Employees who are hired to work at least thirty days are eligible for California Paid Sick Leave.

Paid Sick Leave may be taken for below prescribed purposes:

1. The diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member; or

2. To attend legal proceedings, or to obtain medical treatment, counseling, or other victims' services for domestic violence, sexual assault, or stalking.

A "family member" for these purposes is defined as a child (a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), a parent (a biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), a spouse or registered domestic partner, a grandparent, grandchild, and sibling. Additionally, Paid Sick Leave may be used for an employee who is a victim of domestic violence, sexual assault, or stalking.

<u>Accrual</u>: Employees shall accrue one day of sick leave (7.5 hours) with full pay for each month of service. Sick leave shall be available for use the first day following the payroll period in which it is earned. If the employee does not take the full amount of sick leave allowed in any year, the amount not taken shall be accumulated from year to year, to a maximum of 30 days. Separation of Employment: Upon separation of employment (voluntary termination, involuntary termination, retirement, etc.) employees are not entitled to be compensated for unused Paid Sick Leave. However, previously unused paid sick days must be reinstated if an employee separates from employment and then is rehired within one year.

To the extent possible, employees must provide reasonable advance notice of their need for Paid Sick Leave under this policy. If the need is not foreseeable, the employee must provide notice as soon as practicable. Paid Sick Leave under this policy will not constitute a break in service for the purpose of City benefits or seniority.

<u>Minimum Use</u>: The minimum charge against accumulated sick leave shall be fifteen (15) minutes or multiples thereof. Approved sick leave with pay shall be compensated at the employee's base rate of pay.

<u>Notification</u>: Employees should notify the City Manager prior to, or within 45 minutes after the time set for the beginning of his/her regular duties if using paid sick leave. The City Manager may request a certificate issued by a licensed physician or other satisfactory proof of illness if the sick leave extends more than 3 consecutive days.

<u>Violations</u>: Violation of sick leave privileges may result in disciplinary action when in the opinion of the City Manager, the employee has been excessively absent or has abused such privileges. Employees who do not

call in within 45 minutes of the start of their assignment may be denied use of sick leave.

Employees on Unpaid Leave: Employees on unpaid leave do not accrue Paid Sick Leave.

Employees may donate accrued paid sick time up to two (2) days per calendar year to other employees in need of additional paid time off to seek medical treatment for themselves. Donation of paid sick time to another employee will only be permitted after that recipient employee has exhausted all other available accrued leave. The donation of paid sick time is strictly voluntary.

Section 4. Occupational Injury or Illness Leave: Whenever a person is compelled to be absent from employment with the City on account of injury or illness arising out of or in the course of that employee's employment as determined by the Workers' Compensation Act, the employee may elect to apply pro-rated accrued sick leave, if any, to such absence to receive compensation of an amount of the difference between the compensation received under the Workers' Compensation Act and that of the employee's regular pay, not to exceed the amount of the employee's earned sick leave. An employee, in such instance, may also elect to use any earned vacation time in like manner after sick leave is exhausted. An employee, in such instance, may also elect to use any earned Floating Holiday hours in like manner after sick leave and earned vacation time is exhausted. Employees shall receive full salary in lieu of Workers' Compensation benefits and paid sick leave for the first twenty-four (24) hours following an occupational injury or illness, if authorized absence is by order of an accepted physician under the Workers' Compensation sections of the California Labor Code.

Section 5. Bereavement Leave: When circumstances are such and the City Manager determines that conditions warrant, full-time employees may be granted up to three (3) days of paid bereavement leave per occurrence following completion of one year of employment in the event of the death of a spouse, domestic partner, child, brother, sister, parent, parents-in-laws, or grandparent.

Section 6. Jury Duty and Witness Leave: If a regular full-time employee is required to serve as a juror, such employee shall receive regular pay less amounts received while actually performing jury service for a period of service not to exceed 10 days of jury service. The City will not pay mileage or other additional expenses incurred by jury duty. Employees will be required to provide a Jury Duty Certification form to their supervisor, to be attached to their time sheet for that time period.

Employees shall be granted leave with pay when subpoenaed to testify as a witness other than as a party or an expert.

Employees absent from work due to jury duty or witness leave must notify the City Manager of the status of their leave daily.

Section 7. California CFRA Leave:

The California Family Rights Act (CFRA) provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave is twelve (12) weeks within a 12-month period. All employees who have worked at least twelve (12) months in the preceding seven (7) years and have worked at least 1,250 hours within the twelve (12) months preceding the date the leave commences are eligible for CFRA leave.

(a) Reasons for leave: CFRA leave may be used for the following reasons:

(1) To care for or bond with a newborn child.

(2) To care for or bond with a child placed with the employee and/or the employee's registered domestic partner for adoption or foster care.

(3) To care for an immediate family member (spouse, parent, registered domestic partner, child or registered domestic partner's child, sibling, grandparent, or grandchild) with a serious health condition.

(4) For the employee's serious health condition that makes the employee unable to perform his or her job (except pregnancy, which is covered under PDL and does not run concurrently with CFRA).

(5) For a qualifying military exigency related to the covered active duty or call to covered active duty of a spouse, domestic partner, child, or parent in the United States armed forces.

Eligible employees may take CFRA leave in a single block of time, intermittently, or by reducing the normal work schedule when medically necessary for the serious health condition of the employee or immediate family member. Employees may choose to use accrued paid sick leave or vacation time with some or all of the CFRA leave.

When seeking leave under this policy, employees must provide the City Manager or Designee with the following: (1) Thirty (30) days' notice of the need to take CFRA leave (if foreseeable), or notice as soon as practicable in the case of unforeseeable leave; (2) Medical certification supporting the need for leave within fifteen (15) calendar days of the company's request for the certification. Failure to do so may result in the delay of the commencement of leave or denial of a leave request; (3) Periodic reports as deemed appropriate during the leave regarding the employee's status and intent to return to work; and (4) A return-to-work release before returning to work if the leave was due to the employee's serious health condition.

The City will maintain health insurance coverage for employees and /or their families when CFRA leave is taken on the same terms as if the employee had continued to work. In some instances, the City may recover premiums paid to maintain health coverage or other benefits for employees and/or their families.

Section 8. <u>California Paid Family Leave</u>: The City participates in a private voluntary disability insurance program that it offers to its employees as a legal alternative to the mandatory State Disability Insurance (SDI). Employees may inquire into this program with the City Manager or Human Resources Director.

Section 9. <u>Pregnancy Disability Leave</u>: A full-time employee is eligible for up to four (4) months of unpaid leave for an actual disability caused by the employee's pregnancy, childbirth, or related medical condition.

(a) During the pregnancy disability leave time, paid leave may be charged to accrued benefit time such as vacation and floating holiday, at the employee's request. In addition, accrued sick leave may be used at the employee's request, in accordance with Section 3.

(b) Health insurance benefits shall continue for the duration of the pregnancy disability leave under the same conditions as if the employee had continued employment. If the employee fails to return to work after the period of leave to which the employee is entitled has expired, the City is entitled to recover the premiums paid on behalf of the employee for maintaining coverage.

(c) The City Manager may require the employee to file a physician's certificate or personal affidavit and to provide reasonable notice of the date the leave will begin and the estimated duration of the leave.

(d) Employees disabled by pregnancy may also take intermittent leave or be provided reasonable accommodation to continue work.

(e) Employees returning from Pregnancy Disability Leave generally are entitled to be reinstated in the same position, subject to certain conditions, and consistent with applicable law.

Section 10. Lactation Accommodation Policy: The City provides accommodations to lactating employees who need to express breast milk during work hours in accordance with applicable law. The City will provide the employee with the use of a room or other location (not a bathroom) to express breast milk that is in close proximity to the employee's work area, shielded from view, and free from intrusion. Such space will meet the requirements of the California Labor Code including a surface to place a breast pump and personal items, a place to sit, access to electricity, a sink with running water, and a refrigerator for storing breast milk.

Employees who are nursing have a right to request a lactation accommodation. Such requests may be made verbally or in writing, and should indicate the need for an accommodation in order to express breast milk at work, and should be directed to the City Manager or Designee. The City will promptly respond to such requests and indicate the approval or denial of the break request. The City reserves the right to deny an employee's request for a lactation break if the additional break time will seriously disrupt City operations.

The requested break time should, if possible, be taken concurrently with other scheduled break periods.

The City prohibits any form of discrimination or retaliation against an employee for exercising or attempting to exercise any rights provided by this policy. Any such conduct or other violations of this policy should be reported to the City Manager or Designee. Employees have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right described in this policy.

Section 11. Election Leave: If a full-time employee does not have sufficient time outside of working hours to vote at a statewide election, the voter may, without loss of pay, take off enough working time, which when added to the voting time available outside of working hours will enable the voter to vote. Regular part-time employees are eligible for election leave based upon hours scheduled to work. No more than two (2) hours of the time taken off for voting shall be without loss of pay. The time off for voting shall be only at the beginning or end of the regular work shift, whichever allows for the greatest free time for voting and the least time off from the regular working shift, unless otherwise mutually agreed upon. The employee shall give the City Manager at least two working days' notice that time off for voting is desired.

Section 12. Leave of Absence Without Pay: The City Manager may grant a regular employee a leave of absence without pay for a period not to exceed one (1) month. No such leave shall be granted except upon written request of the employee, setting forth the reason for the request. Approval will be in writing. Upon expiration of a regularly approved leave or within a reasonable period of time after notice to return to duty, the employee shall be reinstated in the position held at the time leave was granted. Failure on the part of an employee on leave to report promptly at its expiration, or within a reasonable time after notice to return to duty, shall be cause for discharge. Such leave of absence shall not be counted as a break in service for purposes of satisfying the continuous employment requirement for vacation allowance.

An employee on leave of absence without pay does not accrue sick leave, vacation time, or receive benefits while on leave. Such employee does not lose or forfeit any sick leave or unpaid vacation time that had been accumulated prior to the time being granted.

Section 13. Military Leave: Military leave shall be granted to City employees in accordance with the provisions of current federal and state law.

Section 14. Administrative Leave: At the discretion of the City Manager and in special circumstances, Regular employees may be provided administrative leave without loss in pay or the deduction of other leave accrued.

Section 15. Disability Accommodation: It is the City's policy to comply with the Americans with Disabilities Act (ADA), as well as applicable state and local laws relating to disability issues. The City will not discriminate against any employee with respect to any terms, privileges, or conditions of employment because of his or her physical or mental disability. The City will also reasonably accommodate all employees and applicants with disabilities who are otherwise qualified to safely perform the essential duties of the job unless any such accommodations would impose an undue hardship in the City's operations.

If an employee needs a reasonable accommodation to perform the essential job duties of his or her position, the employee should make the request to the City Manager or Designee. The City believes in an interactive process with the employee to identify and consider possible accommodations that would enable the employee to perform his or her position's essential job duties.

Reasonable accommodation is available to all disabled employees, where his or her disability affects the performance of job functions and when such accommodations would not impose undue hardship. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

CHAPTER XIV
HOLIDAYS

Section 1. Holidays Observed: The City observes the following paid holidays:

1. New Year's Day (January 1)
2. Martin Luther King Jr. Day (observed the third Monday in January)
3. President's Day (observed the third Monday in February)
4. Memorial Day (observed the last Monday in May)
5. Independence Day (July 4)
6. Labor Day (observed the first Monday in September)
7. Veteran's Day (November 11)
8. Every day appointed by the President or Governor for a public fast, thanksgiving, or holiday including Thanksgiving Day
9. Friday following Thanksgiving Day
10. Christmas Eve (December 24)
11. Christmas Day (December 25)

Holidays which fall on Saturday shall be observed the preceding Friday and holidays which fall on Sunday shall be observed on the following Monday. Paid holidays are only for the observed days.

If an observed holiday falls on an eight and one-half (8.5) hour work day under the 9/75 work schedule, those employees on the 9/75 schedule shall receive eight and one-half (8.5) hours of holiday pay.

If an observed holiday falls on a seven (7) hour workday under the 9/75 work schedule, those employees on the 9/75 schedule shall receive seven (7) hours of holiday pay.

If the holiday falls on a regular day off for that employee, that employee will take the preceding day off.

Section 2. Floating Holiday:

(a) Each full-time employee is allowed eight and one-half (8.5) hours per calendar year, January through December with the approval of the City Manager.

(b) Floating holiday hours are not cumulative and must be used during the above period or said employee will lose the allocated hours.

(c) Each employee must submit a request in advance.

(d) An employee is eligible to use floating holiday hours as they are allocated.

(e) Floating holiday hours may be used in lieu of sick leave only if all other benefit time has been exhausted.

Section 3. Eligibility for Holidays: All employees are eligible for holiday pay except the following:

(a) Seasonal and part-time employees.

(b) Temporary employees.

CHAPTER XV
CHANGES IN EMPLOYMENT STATUS

Section 1. Transfer: An employee may be transferred by the City Manager at any time from one position to another position. Transfer shall not be used to effectuate a promotion, demotion, advancement, or reduction, each of which may be accomplished only as provided in these rules. No person shall be transferred to a position for which he/she does not possess the minimum qualifications.

Section 2. Promotion: When practicable and consistent with the best interests of the City, vacancies may be filled by promotion. All candidates for promotion must meet the minimum qualifications identified by the City Manager or Designee.

If, in the opinion of the City Manager or Designee, a vacancy in the position could be filled better by an open, competitive recruitment instead of a promotional appointment, he/she shall arrange for an open competitive examination.

Section 3. Demotion: The City Manager may demote an employee whose ability to perform his/her required duties falls below standard. No employee shall be demoted to a position for which he/she does not possess the minimum qualifications.

Section 4. Suspension: The City Manager may suspend an employee at any time for cause.

Section 5. Reclassification: The City Manager may reclassify a position from one position to another if there has been a gradual accretion or reduction of duties and/or responsibilities over time.

CHAPTER XVI
SEPARATION FROM EMPLOYMENT

Section 1. Job Abandonment: An employee is deemed to have resigned if the employee is absent for three (3) consecutive workdays without prior authorization and without notification during the period of absence. On the second working day of unauthorized absence, the City Manager shall send an overnight letter to the employee's last known address informing the employee that if the employee fails to report to work within one (1) workday, or receive authorization for such absence, the employee will be deemed to have resigned and extending to the employee an informal pre-disciplinary conference. Employees separated from employment for job abandonment will be reinstated with such charge removed from the employee's record upon presentation of justification for absence such as severe accident, severe illness, false arrest, or mental or physical impairment which prevented notification. Employees have no right to appeal if deemed to have resigned as a result of job abandonment.

Section 2. Discharge: An at-will employee may be discharged at any time with or without cause or notice.

Section 3. Lay-off: The City Manager may lay off an employee because of change in duties or organization or shortage of work or funds.

(a) Notification: Employees to be laid off shall be given, whenever possible, at least ten (10) calendar days prior notice.

(b) Order of Layoff: Employees shall be laid off in the inverse order of their seniority and with regard to their responsibilities. Seniority shall be determined based upon date of hire in the position. A lay off out of the inverse order of seniority may be made if, in the City's judgment, retention of special job skills is required.

(c) Re-employment Rights for Laid-off Employees: Regular employees, who have received a satisfactory or better evaluation for the twelve (12) months prior to lay off, have completed their probationary period, and who have been laid off shall be automatically placed on a re-employment list for one year for the classification from which they were laid off.

Section 4. Resignation: An employee wishing to leave City service in good standing shall file with the supervising official at least ten (10) working days before leaving the service, a written resignation stating the effective date and reasons for leaving. Failure to give such notice shall mean the employee did not terminate in good standing, unless the City Manager has waived the two-week notice requirement. Failure to comply with this Chapter shall be entered on the service record of the employee and be cause for denying future employment by the City. A resignation becomes final when accepted by the City Manager and only at the City Manager's discretion can be withdrawn.

Section 5. Reinstatement: A regular employee who has resigned, or has otherwise been separated while in good standing, may be considered for reinstatement by the City Manager, to a position in the former employee's same or comparable position for a period of two (2) years after resignation or separation provided such a position is vacant and available. The employee shall be reinstated to the salary range and step held at the time of resignation or separation and shall receive a new anniversary date which shall be the first date of employment upon reinstatement. The employee will serve a new probationary period.

CHAPTER XVII
REPORTS AND RECORDS

Section 1. General: The City maintains a personnel file on each employee. An employee's personnel file shall contain only material that is necessary and relevant to the administration of the City's personnel program. Personnel files are the property of the City, and access to the information they contain is restricted.

Section 2. Notifying City of Changes in Personal Information: Each employee is responsible to promptly notify the City Manager or Designee of any changes in relevant personal information, including:

- Mailing address
- Telephone number
- Persons to contact in emergency
- Number and names of dependents

Section 3. Location of Personnel Files: The personnel files will be kept secure and confidential by the City Manager or Designee.

Section 4. Medical Information:

(a) Separate Confidential Files. All medical information about an employee or applicant is kept separately and is treated as confidential, in accordance with federal and state law.

(b) Information in Medical Files. The City will not obtain medical information about an employee or applicant except in compliance with the California Confidentiality of Medical Information Act. To enable the City to obtain certain medical information, the employee or applicant may need to sign an authorization for release of employee medical information.

(c) Access to Medical Information. Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for City business reasons. In the case of an employee with a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations.

Section 5. References and Release of Information in Personnel Files:

(a) Public Information: Upon request, the City will release to the public information about its employees as required by the Public Records Act. The City will not disclose personnel information that it considers would constitute an unwarranted invasion of personal privacy.

(b) Reference Checks: All requests from outside the City for reference checks or verification of employment concerning any current or former employee must be referred to the City Manager or Designee. Information will be released only if the employee signs an authorization for release of employment information, except that without such authorization, the following limited information will be provided: dates of employment and job title.

Section 6. Employee Access to Personnel File: An employee may inspect his or her own personnel file at reasonable times and at reasonable intervals. An employee who wishes to review his or her file should contact the City Manager or Designee to arrange an appointment. The review must be done in the presence of the City Manager or Designee.

Section 7. Destruction of Records: Personnel files, payroll records, and records relating to personnel recruitment, including correspondence, applications, examinations, and reports will be destroyed according to the City's Records Retention Schedule.

CHAPTER XVIII
GRIEVANCE PROCEDURES

Section 1. Definition:

(a) Grievance: A "grievance" is a written allegation by an employee, submitted as herein specified, claiming violation(s) of the specific express terms of the Employee Handbook and Personnel Policy Manual, or expressing concern relating to an aspect of employment, and for which there is no other specific method of review provided by City law.

(b) Grievant: A grievant is an employee or group of employees adversely affected by an act or omission of the City.

(c) Day: A day is any day the agency is open to the public, that is any day except Saturdays, Sundays, and legal holidays recognized by the City.

Section 2. Procedure:

Step A: Informal Discussion: The grievant shall discuss the controversy with the City Manager on an informal basis in an effort to resolve the situation.

The issue will be considered resolved if not presented to the City Manager within ten (10) working days following the day the event occurred upon which the controversy is based. The City Manager shall respond within five (5) working days following the meeting with the grievant. Failure of the City Manager to respond within such time limit shall entitle the grievant to process the controversy to the next step.

Step B: First Level of Review: If the controversy is not settled at Step A, the grievant may submit the grievance in writing to the City Manager within five (5) working days of the receipt of the grievance response at Step A. Failure of the grievant to deliver the written grievance shall constitute a waiver of the grievance. The City Manager shall meet with the grievant and a written decision and statement of facts and issues shall be rendered to the grievant within ten (10) working days from the date of the written grievance. Failure of the City Manager to respond within such time limit shall entitle the grievant to process his/her grievance at the next level of review. If the City Manager is the subject of the grievance the grievance shall be submitted to the Personnel Committee instead of the City Manager.

Step C: Second Level Review: If the grievance is not settled at Step B, the grievant may place the grievance in writing to and present it to the Rolling Hills City Council within five (5) working days of receipt of the Step B grievance response. Failure of the grievant to deliver such written notice shall constitute a waiver of the grievance. The City Council shall hear the grievance at a regular meeting, and a written decision and statement of facts and issues shall be rendered to the grievant. The decision of the City Council shall be final and binding.

Section 3. Reprisals: Employees shall be insured freedom from reprisal for using the grievance procedure.

CHAPTER XIX
DISCIPLINE

Nothing in this Section is intended to alter the at-will status of employment with the City. Consistent with the City's Employment At Will policy, you and the City each have the right to terminate the employment relationship at any time with or without cause and with or without prior notice. As well, the City reserves the right to terminate any employment relationship, to demote, and to otherwise discipline an employee without resort to the below disciplinary procedures.

Section 1. Types of Disciplinary Action:

(a) Oral Warning: A formal discussion with an employee, by the City Manager, about performance or conduct problems, the need for the employee to improve, and what specific improvement is expected. The City Manager shall make a written record of the warning.

(b) Written Reprimand: A formal written notice to the employee regarding performance or conduct problems, the need for the employee to improve, and what specific improvement is expected. The written reprimand goes in the employee's personnel file.

(c) Suspension: Removal of an employee from duty without pay for a specified period.

(d) Reduction in Pay: A reduction in pay from the employee's current salary to a lower salary.

(e) Demotion: A reduction in position title and salary.

(f) Dismissal or Discharge: Separation from employment of an employee for cause.

Section 2. Grounds for Disciplinary Action Involving Regular Employees: Grounds for discipline include, but are not limited to, the following:

(a) Fraud in securing employment or making a false statement on an application for employment.

(b) Incompetency; i.e., the inability to comply with the minimum standard of an employee's position for a significant period of time.

(c) Inefficiency or inexcusable neglect of duty, i.e., failure to perform duties required of an employee within his/her position.

(d) Willful disobedience or insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position, or insulting or demeaning any fellow employee.

(e) Dishonesty.

(f) Possession, distribution, sale, use, or being under the influence of alcohol or illegal drugs or narcotics while on duty or while operating a vehicle in the course of City business or potentially dangerous equipment leased or owned by the City.

(g) Excessive absenteeism.

(h) Inexcusable absence without leave.

(i) Abuse of sick leave, i.e., taking sick leave without a doctor's certificate when one is required, or misuse of sick leave.

(j) The conviction of either a misdemeanor or a felony related to the position held will constitute grounds for dismissal of any employee. The record of conviction will be conclusive evidence of the fact that the conviction occurred. The City Manager may inquire into the circumstances surrounding the commission of the crime in order to support the degree of discipline. A plea or verdict of guilty, or a conviction showing a plea of nolo contendere, is deemed to be a conviction within the meaning of this Section.

(k) Discourteous treatment of the public or other employees.

(l) Improper or unauthorized use of City property.

(m) Refusal to subscribe to any oath or affirmation which is required by law in connection with agency employment.

(n) Any willful act or conduct undertaken in bad faith, either during or outside of duty hours, which is of such a nature that it causes discredit to the City.

(o) Inattention to duty or negligence in the care and handling of City property.

(p) Violation of the rules and regulations of the City.

(q) Outside employment not specifically authorized.

(r) Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of his or her official duties.

(s) The refusal of any officer or employee of the City to testify under oath before any Grand Jury having jurisdiction over any then pending cause of inquiry in which the investigation of government bribery or misconduct in agency office is involved shall constitute of itself sufficient ground for the immediate discharge of such officer or employee.

(t) Willful violation of any of the provisions of an ordinance, resolution, rule, regulation, or policy prescribed by the City.

(u) Improper political activity. Example: Campaigning for or espousing the election or non-election of any candidate in national, state, county, or municipal elections while on duty and/or during working hours or in City uniform on or off duty; or the dissemination of political material of any kind while on duty and/or during working hours or in uniform.

(v) Working overtime without authorization.

(w) Possession of weapons on agency property unless authorized.

(x) Making false or malicious statements concerning any employee, the City, or the City's policies or practices.

CHAPTER XX
PERFORMANCE EVALUATIONS AND ANNUAL WORK PLANS

Section 1. General: Performance evaluation is the process of evaluating and recording the performance of each employee. The performance evaluation is best used:

(a) To maintain a high level of efficiency or assist in raising efficiency by commending the employee.

(b) To indicate to the employee those points in which he/she shows weak performance, and suggest the proper means of raising his/her working performance to the standard level.

(c) To inform the employee of good performance.

(d) To encourage better working relationships and mutual understanding by letting the employee know where he/she stands with relation to the City Manager's evaluation of his/her work.

(e) To establish an annual work plan consisting of goals and tasks to be accomplished.

Section 2. Responsibility for Evaluation: The City Manager is responsible for proper preparation of the performance evaluation for each employee. The City Manager should carefully review the complete position description, and the goals and objectives for the employee, if any, before beginning each evaluation, to remind himself/herself of what should be expected from the employee.

Section 3. Discussion with Employee: The performance evaluation must be discussed with the employee. During the interview, as well as in the performance evaluation documentation, special attention should be given to discussing specific ways in which the employee can improve his/her performance. An opportunity should also be afforded to the employee to comment and bring up any questions he or she may have.

Section 4. Schedule: Performance evaluations for probationary employees are to be presented at the end of the first six (6) months, and after the first twelve (12) months, to correspond to the completion of the one year probationary period. After the probationary evaluation, an evaluation should be done on an annual basis on the employee's anniversary date.

Section 5. Appeal Procedure: It is the intent of the City to offer fair and equitable appeals procedures for employees' performance evaluations. Below are the official guidelines.

(a) Employee and City Manager meet to review and discuss the employee's performance evaluation.

(b) The employee may respond in writing to the contents of the evaluation. The employee must submit this response to the City Manager within ten (10) working days immediately following receipt of the evaluation. The decision shall be rendered in writing within fifteen (15) working days by the City Manager, and the decision of the City Manager shall be final.

Section 6. Exceptional Performance Recognition: Based on fiscal year finances and Council approval, the City Manager is provided a pool of funds to recognize an employee's exceptional performance. Annually, the City will endeavor to budget a 5% increase in salaries. The amount of funds potentially available in the bonus pool is the difference between the CPI adjustment provided to staff in July (see Chapter V) and 5%. An employee can be given exceptional performance recognition of no more than the difference between the CPI and 5% as a one-time check, gift card, or item (the recognition, in other words, does not become part of the employees' salary) for exceptional performance during the prior fiscal year. The recognition will require the City Manager to document and justify the action.

CHAPTER XXI
VEHICLE USE

Section 1. Use of Private Vehicles: Private automobiles are not to be used for the City business except as authorized. The City Manager may authorize such use at the reimbursement rate equal to that set forth by the Internal Revenue Service. Payments shall be based upon the most direct route to and from the destination and garage and parking expenses shall be paid in addition to the current rate, upon submission of paid receipts within the fiscal year of the trips. To receive mileage reimbursement, the employee must acknowledge and be in compliance with the City's Vehicle Use Policy.

Section 2. Auto Allowance: Select employees will receive a monthly car allowance. This stipend will be in lieu of any mileage reimbursement and is intended to cover all actual expenses incurred. If additional garage, parking, and other related auto expenses are incurred above the monthly allowance, they are reimbursable.

CHAPTER XXII
PROFESSIONAL DEVELOPMENT

Section 1. Training: The City Manager and employees of the City are eligible to request specialized training in the form of symposiums, special courses, forums, professional association meetings, professional development courses, etc., at the City's expense. The City retains the sole authority to approve or deny requests for specialized training.

CHAPTER XXIII

EMPLOYEE STANDARDS OF CONDUCT

Section 1. Code of Ethics:

(a) Each officer, official, and employee has an obligation to the residents, to the people's elected representatives, and to fellow employees to meet the highest ethical and professional standards and to enhance the public's respect and trust for the City government and its operations.

(b) Employees of the City have responsibilities unique from their counterparts in the private industry. Employment with the City carries an obligation of personal integrity and conduct that serves to establish public respect, confidence, and trust.

(c) Employees represent the City of Rolling Hills and the quality of City service is judged through their performance and conduct. The residents of Rolling Hills have the right to expect that City employees will provide services in an efficient, thorough, and courteous manner.

(d) The City, as a condition of employment, expects to receive from the employee:

(1) Initiative and a conscientious effort to perform productive work.

(2) Cooperative, positive, responsive, and courteous relations with fellow employees, supervisors, subordinates, and the public.

(3) A continuous effort to strive for greater knowledge and skill on the job in order to maintain performance at a high level.

(4) Compliance with all policies, regulations, rules of conduct, and ordinances established by the City.

(5) Responsible work habits demonstrated by:

a. Dependability, promptness, reliable attendance, and performing required duties competently,

b. Keeping informed of developments and matters affecting job performance,

c. Being flexible and adaptable to change,

d. Accepting constructive suggestions and criticism.

(6) Neat and clean grooming and attire appropriate to the job assignment.

a. Work days

Appropriate dress shall be professional and business casual, representative of an office environment and appropriate for meetings and interaction with the public.

b. Other

As appropriate for the position, the employee is required to have shoes and clothing for meetings in the field, visits to construction sites, and walking on trails.

(7) Support in principle of the ICMA (International City/County Management Association) Code of Ethics and related tenants.

No employee will accept a fee, compensation, gift, payment of expenses, or any other thing of monetary value in any circumstances in which acceptance may result in or create the appearance of any one or more of the following:

1. Use of public office and/or employment for personal or private gain.

2. Preferential treatment of any person.

3. Loss of complete independence or impartiality.

4. Making a City decision outside of official channels.

5. Reduction of public confidence in the integrity of City government and/or its employees.

6. Impeding government efficiency or economy.

Section 2. Policy Against Harassment, Discrimination, and Retaliation

The City strictly prohibits and has "zero tolerance" for discrimination and harassment in any phase of the employment, including but not limited to recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training. This includes sexual harassment (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as race, color, religion, religious creed (including religious dress and religious grooming practices), sex, national origin, ancestry, citizenship, age (40 years and older), mental disability and physical disability (including HIV and AIDS), legally-protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, sexual orientation, status as a victim of domestic violence, sexual assault, or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by federal, state, or local laws.

Discrimination and Harassment Defined. Discrimination and harassment may consist of offensive verbal, physical, or visual conduct when such conduct is based on or related to an individual's sex or membership in one of the above-described protected classifications, and: (1) Submission to the offensive conduct is an explicit or implicit term or condition of employment; (2) Submission to or rejection of the offensive conduct forms the basis for an employment decision affecting the employee; or (3) The offensive conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

Examples of Sexual Harassment. For the purpose of clarification, examples of what may constitute prohibited sexual harassment include, but are not limited to, the following:

1. Making unsolicited sexual advances or written, verbal, physical, or visual contact with sexual overtones. (Written examples: suggestive or obscene letters, notes, invitations. Verbal examples: derogatory comments, slurs, jokes, epithets. Physical examples: touching, assault, blocking or impeding access, leering gestures, display of sexually suggestive objects or pictures, cartoons, or posters.)

2. Continuing to express sexual interest after being informed that the interest is unwelcome. (Reciprocal attraction is not considered sexual harassment.)

3. Making reprisals, threats of reprisal, or implied threats of reprisal following a negative response. (For example, implying or actually withholding support for an appointment, promotion, or change of assignment; suggesting a poor performance report will be prepared; or suggesting probation will be failed.)

4. Engaging in implicit or explicit coercive sexual behavior which is used to control, influence, or affect the career, salary, or work environment of another employee.

5. Offering favors or employment benefits, such as promotions, favorable performance evaluations, favorable assigned duties or shifts, recommendations, reclassifications, etc., in exchange for sexual favors. (Similar conduct when applied to other protected classes such as race, color, creed, national origin, age, disability, medical condition, religion, sexual orientation, or marital status may constitute harassment and violation of this Policy. For example, racial jokes or degrading comments about age or ethnic background can constitute harassment under this policy). Accordingly, in order to avoid the risk of discipline, such acts should be avoided in all circumstances.

Internal Complaint Procedure. Any applicant or employee who believes that he or she has been the victim of sexual or other prohibited discrimination or harassment by co-workers, supervisors, clients or customers, visitors, vendors, corporate officers, or others must immediately notify the City Manager or Designee of the alleged conduct. If the employee believes that, for any reason, the City Manager is the source of the conduct or is biased, the employee may submit the complaint to the Personnel Committee.

Internal Investigation and Resolution. Following receipt of a discrimination or harassment grievance, the City shall begin an immediate and thorough investigation to determine if sexual or other discrimination/harassment has occurred. The investigation shall be conducted in an impartial manner and all information shall be maintained confidential to the extent possible. After full consideration of all relevant facts and circumstances involving the inquiry, a timely decision will be made by the City and appropriate disciplinary or other action will be taken, up to and including termination of employment.

Prohibition Against Retaliation. Retaliation against anyone for opposing conduct prohibited by the City's anti-discrimination/harassment policies or for filing a complaint with or otherwise participating in an investigation, proceeding, or hearing conducted by the City, or any authorized governmental agency, is strictly prohibited and may subject the offending person to, among other things, disciplinary action, up to and including termination of employment.

External Reporting. In addition to the City's internal complaint procedure, an employee may file a complaint with the California Department of Fair Employment and Housing (DFEH) or the U.S. Equal Employment Opportunity Commission (EEOC).

Section 3. Injury and Illness Policy

The City of Rolling Hills has an adopted Injury and Illness Policy for the purpose of preventing injury and illness at work. The policy applies to all employees.

Section 4. Information Technology Policy

The City of Rolling Hills has an adopted Information Technology Policy for the purpose of defining inappropriate use of the electronic information, technological equipment (e.g., computers), and technological systems (e.g., email). The policy applies to all employees.

Section 5. Smoking Policy

The City of Rolling Hills is a smoke-free City. Employees are not permitted to smoke within the City limits.

Section 6. Drug and Alcohol Use Policy

The City strictly prohibits its employees from using alcohol or drugs in connection with their employment, as it constitutes a threat to the safe and efficient performance of an employee's duties. At no time shall any employee be under the influence of any controlled drug or alcohol while on the job, including but not limited to marijuana (with, or without, prescription). Please note that, while Proposition 64 (2016) legalized use of recreational marijuana in California, the City still will find a positive test for marijuana as a valid basis for discipline, up to and including termination of employment. (Employees who are taking lawful medications pursuant to a physician's prescription, except in the case of medical marijuana, who has also certified that they may efficiently perform their duties without jeopardizing the health or safety of others will not be considered to have violated this policy for taking such prescription medicine).

Prohibitions. The following conduct is prohibited and may result in discipline, up to and including termination:

1. Using or possessing alcohol or other controlled substances while on duty.

2. Reporting for duty or remaining on duty when the employee used any controlled substances, except if the use is pursuant to the instructions of a physician who has advised the employee that the substance does not

adversely affect the employee's ability to safely operate a vehicle or otherwise perform the employee's job.

3. Reporting for duty or remaining on duty if the employee tests as having a blood alcohol concentration of 0.02 or greater.

4. Reporting for duty or remaining on duty if the employee tests positive for controlled substances (including, but not limited to, marijuana, whether prescribed or not).

5. Refusing to submit to any alcohol or controlled substances test required by this Policy. An employee who refuses to submit to a required drug/alcohol test will be treated in the same manner as an employee who tested 0.02 or greater on a blood alcohol test or tested positively on a controlled substances test. A "refusal to submit" to an alcohol or controlled substances test required by this policy includes, but is not limited to:

- A refusal to provide a urine sample for a drug test;

- An inability to provide a urine sample without a valid medical explanation;

- A refusal to complete and sign the breath alcohol testing form, or otherwise to cooperate with the testing process in a way that prevents the completion of the test;

- An inability to provide breath or to provide an adequate amount of breath without a valid medical explanation;

- Tampering with or attempting to adulterate the urine specimen or collection procedure;

- Not reporting to the collection site in the time allotted by the supervisor or manager who directs the employee to be tested;

- Leaving the scene of an accident without a valid authorization.

Reasonable Suspicion Testing. All employees may be required to submit to an alcohol or drug test if a supervisor has reasonable suspicion to believe the employee is under the influence of alcohol or controlled substances. Reasonable suspicion alcohol and drug testing will generally be administered within two hours of the observation. If not, the supervisor should provide written documentation as to why the test was not promptly conducted.

Consequences of Failing an Alcohol or Drug Test. A positive result from a drug or alcohol test may result in disciplinary action, up to and including termination, even for a first offense. The City also reserves the right to discipline or terminate an employee convicted of an offense which involves the use, distribution, or possession of illegal drugs. If an employee is not terminated, the employee:

1. Must be removed from performing any job function and immediately placed in an unpaid status.

2. Must submit to an examination by a substance abuse professional. Upon a determination by the substance abuse professional, the employee may be required to undergo treatment for his or her alcohol or drug abuse. The City is not required to pay for this treatment.

3. Shall not be returned to his or her former position until the employee submits to a return to duty controlled substance and/or blood alcohol test (depending on which test the employee failed) which indicates and alcohol concentration level of less than 0.02 or a negative result on a controlled substance test.

4. Will be required to submit to unannounced follow up testing and, possibly other conditions if he or she has been returned to his or her position.

Compliance With State and Federal Law. At all times, the City will comply with current applicable state and federal law concerning drug and alcohol testing. Issues or inconsistencies that are not addressed in this policy will be determined by referring to state or federal law and regulations governing drug and alcohol testing. The City reserves the right to make changes to this policy at any time, for the purpose of complying with state and/or federal law or regulation as it exists now or as it may be amended.

EMPLOYEE HANDBOOK ACKNOWLEDGEMENT

I acknowledge receipt of the City of Rolling Hills Employee Handbook and warrant and represent that I have read and understand the document. I had an opportunity to ask questions and receive clarification from the City regarding conditions of employment, policies, and rules contained in this Handbook. I agree to observe and abide by the conditions of employment, policies, and rules contained in this Handbook.

I understand and agree that my relationship with the City is ‘‘at-will,’’ which means that my employment is for no definite period and may be terminated by me or by the City at any time and for any reason with or without cause or advance notice. I understand that the City retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the City.

I understand and agree that nothing in the Handbook creates or is intended to create a promise or representation of continued employment and that employment at the City is employment “at-will”; employment may be terminated at the will of either the City or myself with or without cause. I understand and agree that the terms of my at-will employment may not be modified or superseded except by the City Council and by written agreement signed by me and the City Manager, that no other employee or representative of the City has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing, approved by the City Council and signed by me and the City Manager.

My signature below certifies that I understand that the foregoing agreement on “at-will” status is the sole and entire agreement between the City and me concerning my employment and the circumstances under which my employment may be terminated. I also understand that if I violate the rules, policies, and procedures set forth herein that I may be subject to discipline, up to and including termination of my employment. This Handbook supersedes all prior agreements, understandings, and representations concerning my employment. I understand that if I have questions regarding the Handbook that I can discuss them with the City Manager’s Designee.

________________________ ________________________

Name Date

Salary Survey of City Council Approved Cities

Agency	City Manager	Planning and Community Services Director		City Clerk/Executive Assistant to the City Manager		Administrative Assistant		Code Enforcement Officer		Planning Manager		Management Analyst		Assistant Planner		Bookkeeper/ Administrative Clerk	
		Bottom	Top	Bottom	Top	Bottom	Top	Bottom	Top	Bottom	Top	Bottom	Top	Bottom	Top	Bottom	Top
Carson	$ 28,600	$ 15,432	$ 19,696	$ 7,976	$ 10,179	$5,515	$7,040	$6,184	$7,893	$ 12,441	$ 15,879	$7,410	$9,457	$6,289	$8,026	-	-
El Segundo	$ 24,336	$ 13,581	$ 18,750	$ 6,583	$ 8,373			$6,877	$8,359	$ 11,237	$ 14,293	$7,176	$9,128	$5,988	$7,278	-	-
Hermosa Beach	$ 22,765	$ 14,942	$ 17,297	$ 10,736	$ 12,429	$5,954	$7,237	$6,240	$7,585	$ 12,209	$ 14,840	$7,123	$8,658	$6,045	$7,349	-	-
Hidden Hills	$ 17,917			$ 5,833	$ 8,711							$2,885	$4,038			-	-
La Habra Heights	$ 12,471															-	-
Lawndale	$ 21,239	$ 12,966	$ 15,761									$6,657	$8,092	$5,768	$7,005	-	-
Lomita	$ 20,000	$ 12,688	$ 15,422	$ 8,547	$ 10,389	$4,013	$4,878	$5,346	$6,499			$6,200	$7,536	$5,397	$6,560	-	-
Palos Verdes Estates	$ 20,833	$ 10,735	$ 16,050	$ 8,895	$ 11,148	$4,579	$5,845	$5,989	$7,280	$ 7,711	$ 9,672	$6,345	$8,502			-	-
Rancho Palos Verdes	$ 21,250	$ 14,437	$ 18,768	$ 11,825	$ 15,373	$5,517	$7,173	$6,459	$8,426			$7,043	$9,156	$6,481	$8,424	-	-
Rolling Hills Estates	$ 18,847	$ 12,276	$ 18,418	$ 8,546	$ 12,473	$4,469	$6,554	$6,012	$7,624			$7,202	$9,252	$4,971	$7,512	-	-
Signal Hill	$ 22,917	$ 14,131	$ 18,542	$ 8,397	$ 10,716	$4,655	$5,941	$5,841	$7,457	$ 10,318	$ 13,169	$6,721	$8,578	$5,587	$7,130	-	-
Average	$ 21,016	$ 13,465	$ 17,634	$ 8,593	$ 11,088	$4,957	$6,381	$6,119	$7,640	$ 10,783	$ 13,571	$6,476	$8,240	$5,816	$7,411	-	-
Median	$ 21,239	$ 13,581	$ 18,418	$ 8,546	$ 10,716	$4,655	$6,554	$6,098	$7,605	$ 11,237	$ 14,293	$6,882	$8,618	$5,878	$7,314	-	-

For each relevant classification, staff gathered each agency's monthly low and high salary ranges and calculated the average and median for a comprehensive market perspective.

Attachment B
City Council Meeting May 12, 2025

Proposed Salary Schedule for Current City Budgeted Positions

Planning Manager		City Clerk/Assistant to the City Manager		Administrative Assistant		Code Compliance Officer/Planning Technician		Management Analyst		Assistant Planner	
Monthly Low	Monthly Top	Monthly Low	Monthly Top	Monthly Low	Monthly Top	Monthly Low	Monthly Top	Monthly Low	Monthly Top	Monthly Low	Monthly Top
$7,325	$14,293	$ 5,541	$10,716	$ 3,812	$ 6,554	$ 5,078	$ 7,605	$ 5,890	$ 8,618	$ 5,127	$ 7,314

City of Rolling Hills Planning Manager & Code Compliance Officer/Planning Technician Draft List of Duties

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

Planning Manager duties:

- Read and interpret development plans, subdivision layouts, site plans, and other technical drawings.
- Oversee the preparation, submittal, and review of planning documents, site development plans, subdivision maps, and related applications for compliance with the General Plan, Zoning Ordinance, and applicable codes.
- Author, update, and revise the General Plan, Zoning Ordinance, Building Code, and other legislative policies.
- Conduct research and analysis for planning projects; develop maps, charts, graphs, and reports interpreting phases of planning studies and cases.
- Prepare comprehensive reports, recommendations, staff analyses, and resolutions on planning, zoning, and development matters.
- Conduct environmental impact assessments and prepare required reports and declarations.
- Coordinate and collaborate with residents, applicants, consultants, and public agencies on the submittal, review, permitting, and inspection of development applications.
- Respond to development code enforcement cases; conduct investigations, compliance actions, and assist in complaint resolution.
- Respond to public inquiries at the counter, by telephone, and in writing regarding the municipal code, zoning code, permitted uses, current development projects, and code enforcement matters.
- Serve as primary staff support to the Planning Commission and its subcommittees; prepare agendas and reports; attend and participate in Planning Commission, City Council, and other board and committee meetings.
- Prepare and compose correspondence, staff reports, resolutions, meeting packets, and other documents in support of the City Council, City Manager, Commissions, and Committees.
- Implement and administer programs such as the National Pollutant Discharge Elimination System (NPDES).
- Participate in the preparation, analysis, and administration of the department budget.
- Develop, direct, and coordinate the implementation of departmental goals, objectives, policies, procedures, and work standards; establish service and staffing levels within City policies and budget.
- Participate in professional group meetings and stay abreast of trends, innovations, and legislative changes in planning and zoning.
- Provide critical thinking and professional recommendations in all aspects of staff work and decision-making processes.

City of Rolling Hills Planning Manager & Code Compliance Officer/Planning Technician Draft List of Duties

- Work collaboratively across disciplines and with regional, state, and federal public agencies.
- Conduct field studies, investigations, and enforcement activities related to code compliance as needed.
- Work irregular hours, including evenings, weekends, and holidays, as necessary; be available for call-back with a reasonable response time during emergencies, disasters, and critical incidents.
- Perform related duties as assigned.

Code Compliance Officer/Planning Technician duties

- Analyze research and data to determine applicable ordinances, codes, regulations, and statutes.
- Read and interpret maps, plot plans, codes, ordinances, and regulations.
- Apply knowledge of zoning, building, and related codes; quickly learn and implement new regulations as needed.
- Conduct field investigations of potential code violations, including site visits, walking/hiking trails, evidence gathering, and identifying relevant issues.
- Receive, review, and properly investigate complaints regarding zoning, noise, nuisances, and other code compliance issues.
- Oversee and enforce conditions of approval for permits, variances, Construction & Demolition Permits, Temporary Use Permits, Conditional Use Permits, and related applications.
- Perform final field inspections to ensure compliance with codes and permit conditions.
- Respond to public inquiries in person, by phone, email, and at the counter regarding municipal and zoning codes, code enforcement, permitted uses, and development projects.
- Exercise independent judgment and sound decision-making in enforcement matters.
- Review and process planning and zoning applications, permits, variances, and related documents for accuracy and compliance.
- Perform plan checks for zoning code compliance; review and approve designated permit applications, assess fees, and establish permit conditions.
- Assist with planning projects and activities, including research, data compilation, inspections, and preparation of special reports.
- Prepare staff reports and resolutions; present applications at Planning Commission or City Council meetings as needed.
- Assist with the preparation of various agenda packets and associated materials.
- Attend committee and staff meetings (including morning or evening Planning Commission meetings); prepare meeting minutes and distribute materials.
- Manage, organize, and process online applications, payments, and approvals in the permitting software system.

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 13.D
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: SAMANTHA CREW, MANAGEMENT ANALYST

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: RECEIVE AND FILE AN UPDATE ON POTENTIAL ADDITIONAL LOCATIONS FOR THE OUTDOOR EMERGENCY SIREN SYSTEM AND RELATED COSTS TO IMPROVE AND ENSURE CITYWIDE COVERAGE

DATE: May 12, 2025

BACKGROUND:
The City of Rolling Hills has been working closely with HQE Systems, Inc. (HQE) to finalize the installation of the Emergency Outdoor Siren Notification System, an important capital improvement project designed to strengthen the City's emergency alerting capabilities. This initiative stemmed from the Block Captain Communication Project and has been strongly supported by both the Block Captains and the Honbo family.

At the March 24, 2025, City Council meeting, HQE provided an overview of the March 4, 2025, siren test and shared technical recommendations, including suggestions for strategic system expansion. During the test, HQE identified several areas within the City that lacked sufficient sound coverage.
Potential pole locations that were discussed at the time included:

1. Roadrunner Road
2. The East Gate
3. Southfield Road
4. Flying Triangle Area
5. Pine Tree and Portuguese Bend Road

During the March 24 meeting, Mr. Charles West of HQE assured the Council that there would be no additional cost to the City for the expansion (five possible poles). This commitment was consistent with statements made at the January 27, 2025, City Council meeting, during which Mr. West affirmed that if the system failed to deliver the promised 70 dB coverage to every residence outdoors, HQE would install additional sirens at no cost to the City. HQE emphasized the critical importance of ensuring that the siren system is audible to all residents and reaffirmed its commitment to the successful completion of the project.

In response, the City Council directed staff to collaborate with HQE and the Rolling Hills Community Association (RHCA) to identify potential locations for additional siren poles. Council emphasized the importance of addressing community concerns, particularly those related to view preservation and requested a plan from HQE that includes proposed site locations.

Pursuant to the City Council meeting, staff met with Kristen Raig of the Rolling Hills Community Association (RHCA) and representatives from HQE to conduct an initial review of several proposed siren installation sites. As a result of that meeting, HQE submitted site maps for three newly identified siren locations (Attachment A). The proposed locations and specifications are as follows:

1. Ringbit Road – 60 ft pole with 4 LS-120 speakers
2. Chesterfield Road – 30 ft pole with 4 LS-120 speakers
3. Pinetree Lane - 30 ft pole with 4 LS-120 speakers

Staff had planned to present an update on the siren system, including proposed maps, to the City Council on Monday, April 28. However, an unexpected proposal was submitted by HQE after business hours on Friday, April 25 (Attachment B). In response, staff requested additional information from HQE regarding the change in direction (Attachment C).

Given the significant fiscal implications of the new information, staff determined that additional time was necessary to adequately review and present the new material to the City Council. This evening, staff will present the updated information, including HQE's proposed site plan and cost structure, and will seek Council direction on how to proceed in light of these new developments.

DISCUSSION:

HQE Systems conducted supplemental sound testing on April 4, 2025, in select areas previously identified as having limited or no coverage during the March 4 siren system test. To carry out this assessment, HQE used speakers mounted on tripods to simulate siren tones. This effort was part of HQE's ongoing work to refine sound coverage data and inform the potential placement of additional siren units.

Subsequently, after a detailed analysis, HQE has identified three new potential siren locations for the City Council's consideration (Attachment A). These proposed sites were selected based on multiple factors, including resident feedback collected through a post-test survey conducted after the citywide siren testing, results from sound propagation modeling, and input gathered during the April meeting with the Rolling Hills Community Association (RHCA). The locations aim to enhance coverage to ensure the system meets the City's goal of providing audible alerts to all residents.

To support this effort, in a proposal submitted by HQE (Attachment B) the siren vendor has offered to cover 100% of the costs associated with labor, Other Direct Costs (ODCs), and the Cellular Communications Data Package for the siren project, representing a substantial contribution toward the project implementation. However, HQE is requesting that the City fund the cost of equipment and materials, which will be provided at cost with no markup. As noted earlier, the City had previously been under the impression that there would be no additional cost to the City for the system expansion necessary to achieve 70 dB outdoor coverage at every residence in Rolling Hills.

The recent shift in project scope and cost requires City Council consideration, as it represents a departure from prior expectations communicated during the January and March 2025 meetings. Staff are seeking City Council direction on the following:

- Whether to proceed with the proposed system expansion based on the new site plan presented by HQE;
- Whether to approve the use of City funds to cover the equipment and material costs outlined in the revised proposal;
- Any additional guidance regarding alternative approaches or cost-sharing options;
- Feedback on the proposed pole locations and any concerns that should be further evaluated before implementation.

Staff will continue working closely with HQE to ensure the project aligns with City objectives and resident priorities and will incorporate any Council feedback into the next phase of planning and execution.

FISCAL IMPACT:
Proposed Equipment and Materials for Siren System Expansion

The proposed expansion of the Rolling Hills Emergency Outdoor Siren System includes the installation of three new siren units with the following components:

SiRcom LS30 Clear Voice and Tone Sirens mounted on 30' poles
Amplifier
Siren Control System
Communications
Solar with Battery Backup

Potential Fiscal Impact:
Total Cost of Equipment and Materials: $63,969.23

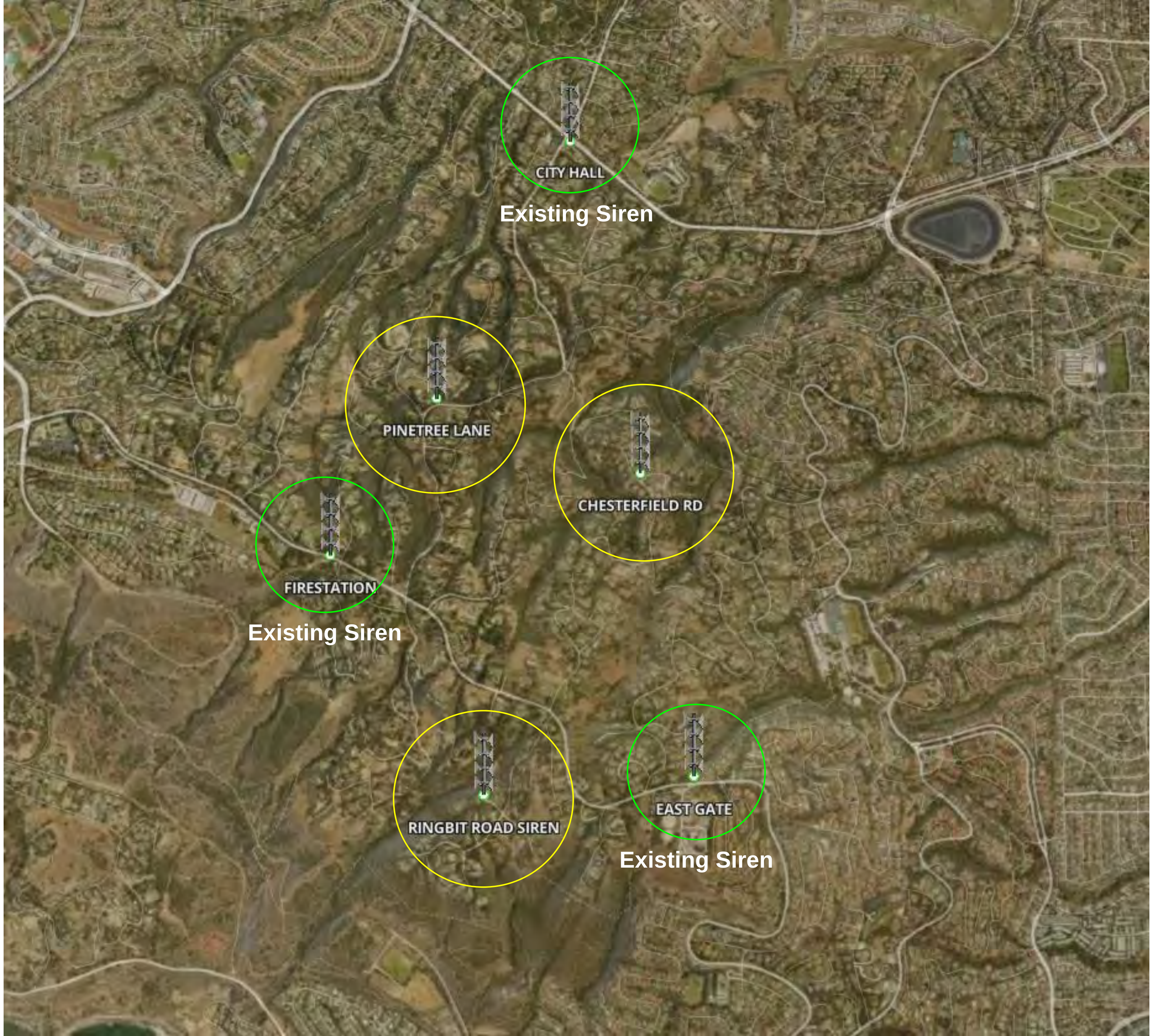
RECOMMENDATION:
Receive and file. Provide direction to staff and HQE.

ATTACHMENTS:
Attachment A - PS_SIR_250512_HQE_ProposedSirensExpansionSitesMapV2.pdf
Attachment B - PS_SIR_250512_HQE_Estimate_System Expansion.pdf
CL_AGN_250512_CC_Item13C_HQE_Email_Redacted.pdf

Legend

Existing Siren

Proposed New Siren



Ringbit Road Siren:

- 30ft galvanized steel pole
- 4x LS-30 speakers
- Omni-directional
- Solar panel

Chesterfield Siren:

- 30ft galvanized steel pole
- 4x LS-30 speakers
- Omni-directional
- Solar panel

Pinetree Lane Siren:

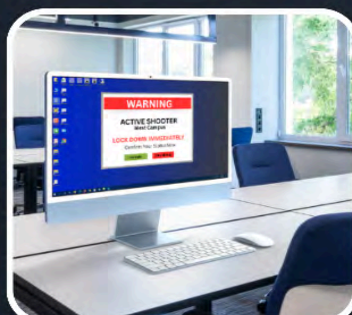
- 30ft galvanized steel pole
- 4x LS-30 speakers
- Omni-directional
- Solar panel

VETERAN OWNED
HQE SYSTEMS

City of Rolling Hills
System Expansion
April 25, 2025

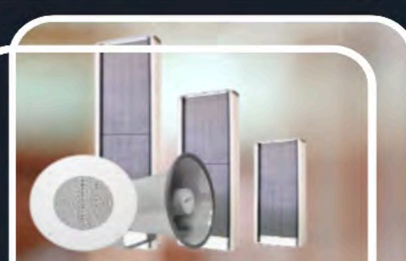
Prepared For

City of Rolling Hills
ATTN: [Client POC Name]
POC Title: [Position Title]
POC Phone: [Phone Number]
POC Email: [Email Address]
[Street Address]
[City, State Zip]



Prepared By

HQE Systems, Inc.
POC Title: Qais Alkurdi
POC Phone: (800) 967-3036
POC Email: Contracts@HQESystems.com



Summary

HQE Systems, Inc., a Service-Disabled Veteran-Owned Small Business (SDVOSB), is pleased to present the following cost estimate for the proposed system expansion at the City of Rolling Hills. This proposal is in response to the City's request for the addition of four (3) outdoor warning sirens. This offer is valid for 90 days. To proceed, please submit any resulting purchase order or contract to: **contracts@hqesystems.com**

Proposed Cost

#	Description	QTY
1	LS 30 Omnidirectional Clear Voice & Tone Sirens To Include: ● SiRcom LS30 Clear Voice and Tone Sirens on 30' Poles ● Amplifer ● Siren Control System ● Communications ● Solar with Battery Backup	3

Confidentiality Notice:

This document contains proprietary pricing information. **Do not share or distribute.** Pricing reflects HQE's internal at-cost rates and is provided exclusively for consideration by the City of Rolling Hills.

SENSITIVE - PROPRIETARY DATA - HQE's AT COST PRICING

DO NOT RELEASE - SANITIZE BEFORE SHARING

#	Budget Summary	At Cost Pricing
1	Total Labor (Covered by HQE)	$36,051.67
2	Other Direct Costs (Covered By HQE)	$28,785.28
3	LTE/SIM Service - 3 Additional Locations - 2 Year PKG (Covered By HQE)	$2,794.00
4	**Equipment and Materials At Cost Pricing (To Be Covered By The City of RH)**	$63,969.23
	HQE's Actual Cost To Perform This Work	$131,600.18

To continue providing valuable support to the City, **HQE Systems is offering to cover 100% of the costs** for all **Labor, Other Direct Costs (ODCs), and the Cellular Communications Data Package** associated with the project — a total contribution valued at **$67,630.95**.

HQE respectfully requests that the City cover only the cost of the **equipment and materials**, provided **at cost** with no markup. The total for these equipment and material costs is **$63,969.23**.

Value Added Offer - Additional Services and Products

At HQE Systems, we are deeply committed to supporting the safety, preparedness, and resilience of the City of Rolling Hills. As a gesture of our dedication to public service and community partnership, we are proud to offer, at no cost to the City, a comprehensive package of critical services and technologies. This includes a Bumper-to-Bumper No Hassle Full Maintenance Service Plan valued at $29,274.22 for one year, 25 Portable Alert Units ("SAFE Units") valued at $4,875.00, access to our cutting-edge Alert and Warning Software Package (supporting up to 100,000 alerts across SMS, voice calls, emails, social media posts, foreign language support, and visitor management) valued at $5,000, and expert Emergency Management Operations Plans Development Support valued at $15,000. We make this contribution in good faith, with no expectation of future obligation, because we believe in delivering real value and standing behind our word. It is our honor to assist the City of Rolling Hills in enhancing its emergency preparedness and public safety capabilities.

#	Description	QTY	Value
1	● Bumper-To-Bumper No Hassle Full Maintenance Service Plan The plan includes: ● Full system diagnostics and proactive maintenance ● On-site and remote technical support ● Unlimited parts and labor for repairs ● Firmware and software updates ● Priority response times for service requests ● Equipment replacement if necessary ● Annual system health checks and performance audits	1 Year	$29,274.22
2	● Portable Alert Units (“SAFE Units”)	25	$4,875.00 Pre-Tax and S&H
3	● Use of the Alert and Warning Software Package ○ SMS/Voice Calls ○ Emails ○ Social Posts ○ Foreign Language Support ○ Visitor Management ○ 1 Year Coverage Period	100,000 Alerts	$5,000
4	● Emergency Management Operations Plans Development Support	1	$15,000

End of Estimate

"Our goal at HQE is to continue to serve our veterans through our 'Hire Veterans Policy HQE-2015-2025'. We appreciate our current and past customers who have helped us meet our goals of hiring veterans throughout the years. Your support in HQE is directly impacting the support of our incredible veterans. Thank you for your consideration and support of Minority Business Enterprise (MBE), Disadvantaged Business Enterprise (DBE), and Service Disabled Veteran Owned Small Business (SDVOSB)!."

Thank You from the team of HQE Systems Inc.

Qais Alkurdi

CEO, Disabled Veteran / Retired

From:	Jamie Warner
To:	Karina Banales
Cc:	Samantha Crew; Christian Horvath; Qais Alkurdi; Nancho Lopez; Charles West; Frank Plasencia
Subject:	Re: Fw: Rolling Hills Siren Expansion
Date:	Friday, May 2, 2025 11:55:23 AM
Attachments:	Outlook-virwwphb.png

Hi Karina,

Good afternoon. I hope this email finds you well.

Thank you for your thoughtful note and the continued trust and partnership you've shown us throughout this project. It's always been a privilege to support the City of Rolling Hills, and we're grateful for the opportunity to work alongside you, Sam, and the entire team.

From the beginning, our shared goal has been to deliver a reliable, effective warning system while being mindful of the City's unique character and the preferences of its residents. Our original concept, installing three small, 30-watt speaker systems on residential properties, was based on ideal placement scenarios with optimal elevation, sound paths, and limited vegetation. Technically, it was a solid and efficient design **if** we could achieve those field conditions.

As we moved forward with site selection, however, real-world limitations emerged. Understandably, there was strong interest in prioritizing aesthetics and minimizing visual impacts, which we absolutely respect. That said, some of the proposed installations, including one at the Fire Station, ended up 20 feet lower than modeled, and in areas where tree coverage significantly cut the expected sound range.

These changes didn't mean the original plan was wrong, just that, in light of what was ultimately possible on the ground, we needed to revisit the design to ensure it still meets the City's performance expectations.

To that end, we've proposed installing three full siren towers (LS60s) with 30' poles, solar with battery backup, and fully integrated control systems. LS 60s have less dB output than the ones you already have, covering the city.

Of course, if the City would prefer to proceed with the smaller speaker installations and accept the corresponding decrease in dB coverage in some areas, we're also happy to support that. We need to have the residents who volunteered their roofs or land identify their locations so that we can conduct our sound planning. We'll always follow your lead and be transparent about the trade-offs.

To further support the City and demonstrate our commitment:

- HQE is covering **100% of all labor, installation, direct costs, and LTE service**, a contribution valued at **$67,630.95**.

- We’re offering over **$54,000 in added value** at no cost, including full system maintenance, portable SAFE Units, software, and planning support.
- We’re asking only that the City cover the equipment and materials, at our exact cost, with no markup.

We believe this proposal represents a smart, forward-looking solution, and we’d love to work closely with you and your team to prepare the Council packet, ensure all questions are addressed, and give the Council a clear path to move forward at their next meeting.

We’re here to help however we can, and we sincerely appreciate the opportunity to continue serving Rolling Hills with integrity and partnership.

Warmest Regards,

Jamie Warner | COO
O 760-516-7053 | (800) 967-3036 | [redacted]
27348 Via Industria, Temecula, CA 92590

Veteran Owned Technology Company

On Tue, Apr 29, 2025 at 8:08 PM Jamie Warner <[redacted]> wrote:

> Hi Karina,
>
> I hope this email finds you well. Thank you for your patience. I will finalize our response tomorrow and get that information to you and the team.
>
> Have a great night.
>
> Warmest Regards,
>
> Jamie Warner | COO
> O 760-516-7053 | (800) 967-3036 | [redacted]
> 27348 Via Industria, Temecula, CA 92590
>
> Veteran Owned Technology Company
>
> On Mon, Apr 28, 2025 at 5:49 PM Charles West <[redacted]> wrote:
>
>> Karina,
>>
>> Thank you for reaching out. I understand how sudden this is and how it differs from our previous discussions. For a detailed explanation of the proposal, I would need to direct

you to Mr. Jamie Warner. I understand that this item needs to be pulled from tonight's meeting and rescheduled for the next available City Hall meeting.
I want to caution that delays in approving the site will result in longer lead times. If required, we will need to submit permits for approval, which are usually a multi-month process. This affected the initial installation dates for the three towers.

Thank you for your well wishes. My family emergency was wholly unexpected and somewhat troubling, but my son is recovering well at this time.

On Mon, Apr 28, 2025 at 8:40 AM Karina Banales <kbanales@cityofrh.net> wrote:

Good morning Charles,

Thank you for your email and for the ongoing commitment HQE has shown to the City and its residents. We truly appreciate all the hard work your team has put into this project. Your efforts to work with residents, RHCA, and City staff in identifying the best locations have not gone unnoticed.

After reviewing the proposal and reflecting on previous public discussions, where it was stated that the system's expansion would not result in additional costs to the City, it's clear we need to provide the City Council with more detailed information to fully understand the request. As you know, Council approval is not guaranteed, and a clear, transparent explanation will be important in guiding their decision. Lastly, because the proposal was unexpected, Sam's staff report does not allow it to be discussed tonight. Instead, I will ask the City Council to consider bringing it back for review and discussion at a later date.

To move things forward, I respectfully ask that HQE provide additional information to strengthen the proposal, including:

- A brief explanation of how the project scope or circumstances have changed since earlier discussions, and how and why the cost structure has changed.
- A summary of the risks and cost factors involved in the expansion.
- An update on how this expansion might impact the project timeline.

We want to make sure all questions are addressed before the meeting (tentatively the first meeting in May), so the proposal is as strong as possible when presented to the Council. We will share the final report with you to ensure we package this item well for the Council's consideration. Please connect with me and Sam so we can discuss and work on this together.

Charlie and the HQE team, thank you again for your partnership, your hard work, and your understanding as we work together to find the best way forward. We look forward to continuing our collaboration in support of Rolling Hills and its residents.

Also, Charlie, I hope all is well with you and your family.

Sincerely,
Karina

Karina Bañales
City Manager

City of Rolling Hills
2 Portuguese Bend Road, Rolling Hills, CA 90274
o: 310.377.1521 | f: 310.377.7288
e: kbanales@cityofrh.net

From: Charles West <[redacted]>
Sent: Friday, April 25, 2025 7:01 PM
To: Karina Banales <kbanales@cityofrh.net>
Cc: Samantha Crew <sjcrew@cityofrh.net>; Christian Horvath <chorvath@cityofrh.net>; Nancho Lopez <[redacted]>; Jamie Warner <[redacted]>
Subject: Rolling Hills Siren Expansion

Dear RH Team,

I hope this email finds you well. I apologize for the timing of this email, given the upcoming City Hall meeting on Monday. Firstly, I would like to thank all of you for the support you have provided to HQE and the City throughout the entire life cycle of this project. We have all faced numerous trials and challenges that we all have had to overcome.

HQE is committed to providing Rolling Hills residents with a reliable and functioning Outdoor Warning System. Over the past few weeks, HQE leadership has been working tirelessly to identify the optimal locations for expanding the system, weighing the input of residents, RHA, and the City.

HQE has been conducting an internal review of the costs associated with this expansion and the risks involved. Given our commitment to the City and its future risks, please review the attached proposal from HQE. Nancho and I will arrive early at City Hall on Monday to answer questions and address concerns.

For all commercial questions related to the proposal, I will have to direct you to Jamie Warner. Please don't hesitate to ask any questions or express any concerns you may have.

Once again, thank you for your time and the support you have provided.

--

Charles West |
M 951.541.3793. | [redacted]
27348 Via Industria, Temecula, CA 92590

www.HQESystems.com

--

Charles West |
M 951.541.3793. | charles.west@hqesystems.com
27348 Via Industria, Temecula, CA 92590

www.HQESystems.com

CONFIDENTIALITY NOTICE: The contents of this email message and any attachments are intended solely for the addressee(s) and may contain confidential and/or privileged information and may be legally protected from disclosure. If you are not the intended recipient of this message or their agent, or if this message has been addressed to you in error, please immediately alert the sender by reply email and then delete this message and any attachments. If you are not the intended recipient, you are hereby notified that any use, dissemination, copying, or storage of this message or its attachments is strictly prohibited. HQE Systems has performed a self-assessment in accordance with NIST SP 800-171 DoD Assessment Methodology and has submitted the results to the Supplier Performance Risk System (SPRS).

Agenda Item No.: 14.A
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: RECEIVE AND FILE A VERBAL UPDATE FROM THE SOLID WASTE & RECYCLING AD HOC COMMITTEE

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Receive and file.

ATTACHMENTS:

Agenda Item No.: 15.A
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: RECEIVE AND FILE A VERBAL UPDATE ON THE STATUS OF THE CITY HALL CAMPUS BACKUP GENERATOR

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Receive and file.

ATTACHMENTS:

Agenda Item No.: 15.B
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: DECLARE A VACANCY ON THE TRAFFIC COMMISSION AND DIRECT STAFF TO PUBLICLY NOTICE THE OPENING

DATE: May 12, 2025

BACKGROUND:
The appointment process for filling expiring Commission terms calls for the incumbents and the public to be informed of the openings before the expiration of the current terms. During a normal term expiration window, staff will provide approximately four weeks of public notification by:

1. Posting the notices at City Hall per the Maddy Act
2. Sending letters to each incumbent advising them of the process to be considered for re-appointment, and
3. Advertising the openings in the City Blue Newsletter during October and early November.

Incumbents or interested individuals must submit Letters of Interest to the City Clerk by a set date and time. Once received, staff will schedule interviews with the candidates and the City Council Personnel Committee, ahead of the publication and posting of the last City Council agenda before the new year and the beginning of new terms.

In the event a vacancy occurs before the term expiration, the vacancy is publicly noticed by posting at City Hall and advertising in the City Blue Newsletter within 20 days of the vacancy, consistent with Government Code Section 54974(a). A final appointment shall not be made by the City Council for at least 10 working days after the notice has been posted.

DISCUSSION:
Traffic Commissioner Val Margeta, M.D., has served since September 1996. Her last meeting was in September 2024. Since then, she has fallen ill, and staff have been informed she will no longer be able to serve.

Staff requests that the City Council declare a vacancy for the remainder of her term, which ends on January 1, 2028.

FISCAL IMPACT:
None.

RECOMMENDATION:
Declare a vacancy on the Traffic Commission and direct staff to publicly notice a vacancy for the Traffic Commission.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 15.C
Mtg. Date: 05/12/2025

TO: **HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

FROM: **SAMANTHA CREW, MANAGEMENT ANALYST**

THRU: **KARINA BAÑALES, CITY MANAGER**

SUBJECT: **LETTER FOR RESIDENTS TO PROVIDE TO INSURANCE PROVIDERS REGARDING FIRE RISK AND MITIGATION**

DATE: **May 12, 2025**

BACKGROUND:
Over the past several months, the City has received an increasing number of inquiries and correspondence from residents concerned about losing their residential fire insurance coverage or experiencing significant premium increases. These concerns appear to stem from insurance providers reassessing fire risk ratings in high fire hazard severity zones, which includes much of the City of Rolling Hills.

This evening, staff are seeking City Council authorization for the City Mayor to work with staff on drafting a letter and request that it be made available on the City's website for residents to download and print.

DISCUSSION:

In response to these concerns, staff is preparing a draft letter for residents to share with their insurance providers. The letter highlights the City's unique characteristics, its proactive wildfire mitigation strategies, and its ongoing commitment to public safety. Key efforts include enforcement of brush clearance regulations, active participation in regional emergency preparedness initiatives, and the implementation of public education campaigns focused on fire prevention and risk reduction.

Staff believe that providing residents with a consistent and factual summary of the City's wildfire mitigation efforts may assist in discussions with insurance providers and help residents advocate for fair treatment. Once finalized, the letter will be posted on the City's website in a downloadable format. Hard copies will also be available at City Hall. City staff will also create a dedicated webpage featuring resources provided by the Fire Department and other stakeholders, further enhancing the city's efforts.

FISCAL IMPACT:
None.

RECOMMENDATION:
Staff recommends that the City Council authorize the City Mayor to work with staff on drafting a letter and request that it be made available on the City's website for residents to download and print.

ATTACHMENTS:
CL_AGN_250512_CC_Item15C_LetterForInsurance_Draft.pdf

Dear Insurance Agent,

The City of Rolling Hills is committed to protecting life, property, and natural resources by implementing a broad range of wildfire prevention and preparedness strategies. On behalf of the policyholder, this letter outlines the City's ongoing efforts to reduce wildfire risk in hopes of supporting more favorable insurance rates and policy availability for our residents.

Rolling Hills is a gated community composed entirely of private property. All roads are privately owned and maintained through easements dedicated to the Rolling Hills Community Association (RHCA), which plays a vital role in local fire preparedness and vegetation management.

The City enhances its emergency response and wildfire mitigation capabilities through the following coordinated efforts:

Interagency Coordination & Emergency Planning

Ongoing Agency Engagement: City leadership regularly meets with representatives from Fire, Sheriff, utility companies, and Cal OES to coordinate efforts related to wildfire prevention, emergency response, and long-term resilience.

Los Angeles County Fire Department (LACoFD): Rolling Hills collaborates closely with LACoFD, which conducts annual brush clearance inspections to ensure properties comply with defensible space standards.

Home Hardening Inspections: In partnership with LA County Fire's Forestry Division, the City developed an education program on home hardening and coordinates inspections to help homeowners identify and implement fire-resistant improvements.

Los Angeles County Sheriff's Department (LASD): LASD disseminates safety information to residents in wildfire-prone areas, emphasizing the importance of early preparation and evacuation planning. LASD emergency response times for Rolling Hills are consistently under 7 minutes and the Department also assists in coordinating and facilitating evacuations.

California Office of Emergency Management (Cal OES): To reduce wildfire risk, the City of Rolling Hills was awarded a $1 million FEMA Hazard Mitigation Grant in 2020 for defensible space and fuel break creation. The project is split into two phases: environmental assessment (completed in February 2022) and a forthcoming vegetation removal project.

Peninsula Public Safety Committee: This four-city committee, with representatives from all Peninsula cities, meets quarterly to coordinate regional wildfire education and preparedness. Initiatives include Pano AI wildfire cameras, a joint hazard mitigation plan, home hardening efforts, hazardous plant awareness, and vegetation management across public and private lands.

Multi-Jurisdictional Hazard Mitigation Planning: Rolling Hills is actively participating in the development of a new Multi-Jurisdictional Hazard Mitigation Plan to outline strategies for wildfire risk reduction and enhance community resilience.

Utility Collaboration & Infrastructure Hardening

Southern California Edison (SCE): SCE helps prevent wildfires through regular inspections, vegetation management, and infrastructure upgrades, such as replacing bare wires with insulated conductors. They use advanced monitoring tools, including drones and helicopters, to detect risks and maintain safe clearances around power lines. During extreme weather, SCE may initiate Public Safety Power Shutoffs (PSPS) to reduce fire danger from electrical equipment.

Underground Utility Project: The City applied for grant funds through the Federal Emergency Management Agency (FEMA) Hazard Mitigation Program and in 2020, the City was awarded $1,145,457 of Federal funds to underground utility infrastructure along Crest Road East from the eastern city limits to the frontage of 67 Crest Road East. The project is expected to be completed in the fall of 2025.

California Water Service (Cal Water): Completed in 2020, the $100 million Palos Verdes Peninsula Water Reliability Project added seven miles of pipeline and a new pump station on a separate grid, improving resilience against outages and disasters. In 2025, Cal Water began the Wildfire Hardening Reliability Project in Rolling Hills, installing 2,000 feet of 6" ductile iron pipe and two new fire hydrants to enhance grid resiliency, water quality, and fire flow capacity.

Southern California Gas Company (SoCalGas): To mitigate wildfire risk and enhance control over the gas distribution system, SoCalGas has installed multiple isolation valves to allow for targeted shutoffs, minimizing the risk of gas-related incidents.

Vegetation Management

City Ordinances Supporting Fire Fuel Reduction:
Chapter 8.30.010 – Requires property owners to remove dead trees, tumbleweeds, palm fronds, and other hazardous vegetation declared as public nuisances.

Chapter 8.30.015 – Prohibits the new planting of high-hazard species such as pine, pampas grass, palm, juniper, acacia (shrub), eucalyptus, cedar, and cypress.

Fire Fuel Reduction Ad Hoc Committee: The City Council formed an ad hoc committee of two councilmembers to discuss fire fuel reduction policies and best practices. This group coordinates with the Rolling Hills Community Association's Fire Fuel Ad Hoc Committee to align efforts across the community.

Vegetation Management & Road Easement Maintenance: The Rolling Hills Community Association actively manages vegetation along road easements and trails, including tree trimming, palm tree removal, weed abatement, and clearing of overgrowth consistent with the California Fire Code.

Green Waste: To support proactive vegetation management, Rolling Hills proudly offers unlimited green waste pickup twice a week for residents.

Curbside Green Waste: Rolling Hills residents can participate in curbside green waste collection by bundling yard trimmings into manageable sizes. Each bundle should not exceed 4 feet in length or 60 pounds in weight.

Communal Green Waste Bins: Twice a year, Rolling Hills offers residents a week-long green waste collection event, during which large communal bins are placed throughout the community. These bins are rotated as they fill, providing a convenient way for residents to dispose of excess vegetation and yard debris.

Chipping Events: The Rolling Hills Community Association sponsors two chipping events annually to assist residents with vegetation management and wildfire risk reduction. These events provide a convenient way for homeowners to dispose of excess brush and fire-prone vegetation.

Emergency Notification & Evacuation Tools

Alert SouthBay: Rolling Hills participates in Alert SouthBay, a regional emergency notification system serving 15 South Bay cities. Powered by the Everbridge platform, it delivers real-time alerts via text, email, phone, and app to keep residents informed during disasters and major emergencies.

Evacuation Siren System: The City of Rolling Hills has implemented an advanced outdoor emergency siren system developed by HQE Systems to enhance public safety during disasters. This system features three strategically placed 50-foot poles equipped with sirens capable of delivering clear voice and tone alerts, even during power or cellular outages, thanks to up to 30 days of backup power and multiple communication modalities.

Pano AI Wildfire Detection Cameras: Pano AI is an advanced wildfire detection system that utilizes 360-degree ultra-high-definition cameras and artificial intelligence to identify smoke and fire in real time. The four Peninsula cities, including Rolling Hills, use Pano AI cameras to detect wildfire smoke early. This technology helps improve response times and enhance situational awareness.

Genasys Evacuation Zones / “Know Your Zone” Campaign: Genasys evacuation zones provide real-time updates on evacuation orders and warnings. Residents can look up their zone at protect.genasys.com to stay informed during emergencies. As an early adopter of the countywide platform, Rolling Hills launched a “Know Your Zone” campaign to help residents identify their evacuation zone in case of a wildfire or other emergency.

PVPready.gov Regional Preparedness Website: The website is the official emergency readiness hub for the Palos Verdes Peninsula, developed collaboratively by the four peninsula cities. It features the "Know Your Zone" tool, enabling residents to identify their specific evacuation zones and access real-time updates during emergencies such as wildfires or storms. The site also offers preparedness resources, including evacuation planning tips, emergency supply checklists, and guidance on signing up for critical alerts via Alert SouthBay.

Community Engagement, Education, and Preparedness

Block Captain Program: The Rolling Hills Block Captain Program is a city-supported, resident-led effort that promotes wildfire preparedness through neighbor-to-neighbor outreach, regular communication, and educational workshops on mitigation strategies.

Award Winning Home Harding and Fuel Load Management Video Series: In partnership with LACoFD, Rolling Hills Block Captains developed two high quality six-part video series to help residents reduce fire risks and harden their homes. Each segment provides practical tips to boost preparedness and resilience, reflecting the City’s commitment to wildfire safety.
Bi-Weekly Blue Newsletter: The newsletter includes tips on home hardening, vegetation management, fire-resistant gardening, and emergency preparedness, along with updates on wildfire prevention events.

Fire Education & Consulting Partnership: Since 2007, the City and Rolling Hills Community Association have worked with fire consultant Carol Rice of Wildland Resource Management to develop educational programs, provide guidance on vegetation management in the urban-wildland interface, and advise on evacuation route safety and canyon fuel reduction strategies.

We trust that the information provided demonstrates the City’s comprehensive and proactive approach to wildfire safety. Should you require any additional details, please feel free to contact:

Samantha Crew
Management Analyst & Emergency Services Coordinator
City of Rolling Hills
310 377-1521
sjcrew@cityofrh.net

Thank you for your attention and consideration of this matter. We appreciate your support in helping our residents obtain continued access to fair and reliable insurance coverage.

Sincerely,

Karina Bañales
City Manager of Rolling Hills

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.A
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT:

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. (3 CASES)

A. NAME OF CASE: CONNIE ANDERSEN, ET AL. V. CALIFORNIA WATER COMPANY, ET AL. (SEAVIEW CASE) CASE NO.: 24STCV20953
B. NAME OF CASE: CITY OF ROLLING HILLS V. SCE CPUC DOCKET NO. C.24-10-008
C. NAME OF CASE: CITY OF ROLLING HILLS V. SOCALGAS CPUC DOCKET NO. C.24-10-009

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.B
Mtg. Date: 05/12/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: CONFERENCE WITH LEGAL COUNSEL - INITIATION OF 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. (1 CASE)
RECOMMENDATION: NONE

DATE: May 12, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.C
Mtg. Date: 05/12/2025

TO:	**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**
FROM:	**CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER**
THRU:	**KARINA BAÑALES, CITY MANAGER**
SUBJECT:	**CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION A CLOSED SESSION WILL BE HELD, PURSUANT TO GOVERNMENT CODE SECTION 54956.9(C) AND (D)(4) REGARDING THE DECISION OF WHETHER TO INITIATE LITIGATION (1 CASE) RECOMMENDATION: NONE**
DATE:	**May 12, 2025**

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS: