



Tuesday, October 25, 2016

ROLL CALL:

Mayor/Chairman/President:

David W. Armenta

Mayor Pro Tempore/Vice Chairman/Vice President:

Bob J. Archuleta

Councilmembers/Directors/Commissioners:

Gustavo V. Camacho

Gregory Salcido

Brent A. Tercero

Meeting jointly and regularly with the Pico Rivera Successor Agency to the Pico Rivera Redevelopment Agency (as needed); Pico Rivera *Housing Assistance Agency (as needed); *Pico Rivera Water Authority (as needed); and Public Financing Authority (as needed)

**Regular Meeting 6:00 p.m.
Council Chamber
6615 Passons Blvd.**

Next Resolution No. 6876

Next Ordinance No. 1102

Next Agreement No. 16-1720

Successor Agency to PRRA

Next Resolution No. SA-16-08

Next Ordinance No. SA-01

Next Agreement No. S16-003

Housing Assistance Agency

Next Resolution No. HA-96

Next Ordinance No. HA-16

Water Authority

Next Resolution No. 16-21

Next Ordinance No. 16-01

Next Agreement No. 16-31

Public Financing Authority

Next Resolution No. 16-12

COMMISSIONERS SCHEDULED TO BE PRESENT:

Tommy Elisaldez, Planning Commission

Joseph Palombi, Parks & Recreation Commission

INVOCATION:

PLEDGE OF ALLEGIANCE:

SPECIAL PRESENTATIONS:

- California Retired Teachers Association (CalRTA) Proclamation
- Certificate of Recognition presented to Christine Saavedra (AYSO)

PLEASE TURN OFF ALL PAGERS AND/OR PHONES WHILE MEETING IS IN SESSION AND PLEASE REFRAIN FROM TEXTING DURING THE MEETING

In compliance with the Americans with Disabilities Act of 1990, the City of Pico Rivera is committed to providing reasonable accommodations for a person with a disability. Please call the City Clerk's office at (562) 801-4389, if special accommodations are necessary and/or if information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged (within 24 to 48 hours' notice).

*Commissioners receive a \$30.00 stipend per each meeting held and attended.

PUBLIC HEARING:

City Council:

1. **Public Hearing – Zone Code Amendment No. 179, an Amendment to Chapter 18.40 (Land Use Regulations), Permitting Home Occupations in Certain Commercial and Mixed-Use Zones, and Chapter 18.52 (Home Occupations), pertaining to Residential Dwellings located on Properties Directly Abutting Major Arterials of the Pico Rivera Municipal Code. (1600)**
 - a. Open public hearing
 - b. Memo from City Manager
 - c. Written Communication(s)
 - d. Oral Communication(s)
 - e. Close Hearing
 - f. **Recommendation:**
 1. Adopt the Resolution approving Zone Code Amendment No. 179; and
 2. First reading and introduction of Ordinance amending Title 18 (Zoning) of the City of Pico Rivera Municipal Code.

Resolution No. _____ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, ADOPTING AN AMENDMENT TO CHAPTER 18.40 (LAND USE REGULATIONS) PERMITTING HOME OCCUPATIONS IN CERTAIN COMMERCIAL AND MIXED-USE ZONES AND CHAPTER 18.52 (HOME OCCUPATIONS) PERTAINING TO RESIDENTIAL DWELLINGS LOCATED ON PROPERTIES DIRECTLY ABUTTING MAJOR ARTERIALS, OF THE PICO RIVERA MUNICIPAL CODE DESIGNATED HEREIN AS ZONE CODE AMENDMENT NO. 179

Ordinance No. _____ AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING CHAPTER 18.40 (LAND USE REGULATIONS) PERMITTING HOME OCCUPATIONS IN CERTAIN COMMERCIAL AND MIXED-USE ZONES AND CHAPTER 18.52 (HOME OCCUPATIONS) PERTAINING TO RESIDENTIAL DWELLINGS LOCATED ON PROPERTIES DIRECTLY ABUTTING MAJOR ARTERIALS OF THE PICO RIVERA MUNICIPAL CODE DESIGNATED COLLECTIVELY HEREIN AS ZONE CODE AMENDMENT NO. 179

PUBLIC COMMENTS - IF YOU WOULD LIKE TO SPEAK ON ANY LISTED AGENDA ITEMS OR NON-AGENDA ITEMS, PLEASE FILL OUT A GREEN PUBLIC COMMENT REQUEST FORM AND PROVIDE IT TO THE STAFF MEMBER AT THE BACK TABLE BEFORE THE MEETING STARTS.

When you are called to speak, please come forward and state your name and city of residency for the record. You have three (3) minutes to make your remarks. In accordance with Government Code Section 54954.2, members of the City Council may only: **1)** respond briefly to statements made or questions posed by the public; **2)** ask a question for clarification; **3)** provide a reference to staff or other resources for factual information; **4)** request staff to report to the City Council at a subsequent meeting

concerning any matter raised by the public; and **5)** direct staff to place a matter of business on a future agenda. City Council members cannot comment on items that are not listed on a posted agenda.

CONSENT CALENDAR ITEMS:

All items listed on the Consent Calendar may be acted on by a single motion without separate discussion. Any motion relating to a Resolution or Ordinance shall also waive the reading of the titles in full and include its adoption as appropriate. If discussion or separate vote on any item is desired by a Councilmember or staff, that item may be pulled from the Consent Calendar for separate consideration.

City Council:

2. Minutes:

- City Council meeting of October 11, 2016

Recommendation: Approve

3. 6th Warrant Register of the 2016-2017 Fiscal Year. (700)

Check Numbers: 273633-273753

Special Check Numbers: None.

Recommendation: Approve

4. Durfee Avenue Grade Separation Project – Resolution Determining that the Provisions of Government Code Section 65402 are Inapplicable to the Minor Street Widening for the Project and Authorizing the Execution of Documents and Payments Required for the Acquisition and Disposition of Real Property and Easements for Street Widening Purposes.

Recommendation:

1. Approve a resolution determining that the provisions of Government Code Section 65402 are inapplicable to the acquisition and disposition of real property and easements required for minor street widening related to the construction of the Durfee Avenue Grade Separation Project; and
2. Authorize the City Manager to execute documents and issue payments for said acquisitions and dispositions of real property and easements related to minor street widening required for the completion of the Durfee Avenue Grade Separation Project.

Resolution No. _____ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, DETERMINING THAT THE PROVISIONS OF GOVERNMENT CODE SECTION 65402 ARE INAPPLICABLE TO THE MINOR STREET WIDENING FOR THE DURFEE AVENUE GRADE SEPARATION PROJECT AND AUTHORIZING THE EXECUTION OF DOCUMENTS AND PAYMENTS REQUIRED FOR THE ACQUISITION AND DISPOSITION OF REAL PROPERTY AND EASEMENTS FOR STREET WIDENING PURPOSES

5. Reimbursement Agreement with El Rancho Unified School District (School Resource Deputy). (500)

Recommendation:

1. Approve an amendment to an agreement with El Rancho Unified School District (ERUSD) for cost sharing of a School Resource Deputy. The amended agreement contains terms under which the City will reimburse ERUSD for half of the cost of providing a School Resource Deputy for the period of September 1, 2016 through June 30, 2017.

Agreement No. _____

6. Rio Hondo Park Soccer Complex – Resolution Authorizing the Filing of an Application for the California Youth Soccer and Recreation Development Program and Authorizing the City Manager to Execute all Related Grant Documents. (700)

Recommendation:

1. Approve a resolution authorizing the filing of an application for grant funding for the construction of an artificial turf soccer field at Rio Hondo Park through the California Youth Soccer and Recreation Development Program under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) and authorizing the City Manager to execute all related grant documents.

Resolution No. _____ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING THE APPLICATION FOR YOUTH SOCCER AND RECREATION DEVELOPMENT PROGRAM GRANT FUNDS

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION:

REGULAR AGENDA:

City Council:

7. Establishment of Irrevocable Trust with California Employers' Retiree Benefit Trust (CERBT) Program. (700)

Recommendation:

1. Adopt a resolution approving the California Employers' Retiree Benefit Trust (CERBT) Agreement and Election to Pre-fund Other Post-Employment Benefits (OPEB) through CalPERS and the "Delegation of Authority Form"; and
2. Adopt a resolution amending the Fiscal Year 2016-17 budget by increasing appropriations by \$4,000,000, utilizing General Fund reserves to pre-fund the trust established through the CERBT program.

Resolution No. _____ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING AN AGREEMENT AND ELECTING TO PRE-FUND OTHER POST-EMPLOYMENT BENEFITS (OPEB) THROUGH CALPERS THROUGH

ESTABLISHMENT OF AN IRREVOCABLE TRUST THROUGH THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM (CERBT)

Resolution No. _____ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING THE FISCAL YEAR 2016-17 BUDGET FOR THE PURPOSE OF PRE-FUNDING AN IRREVOCABLE TRUST ESTABLISHING THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM (CERBT)

MAYOR/COUNCILMEMBER REPORTS ON INTERGOVERNMENTAL AGENCY MEETINGS:

AB1234 REPORTS ON TRAVEL AND CONFERENCE ATTENDANCE (RESOLUTION NO. 6640):

NEW BUSINESS:

OLD BUSINESS:

CLOSED SESSION(S):

ADJOURNMENT:

AFFIDAVIT OF POSTING

I, Anna M. Jerome, City Clerk, for the City of Pico Rivera, DO HEREBY CERTIFY, under penalty of perjury under the laws of the State of California, that the foregoing notice was posted at the Pico Rivera City Hall bulletin board, Pico Rivera website, Pico Rivera Post Office and Parks: Smith, Pico and Rivera which are available for the public to view on this 20th, day of October 2016.

Dated this 20th, day of October 2016

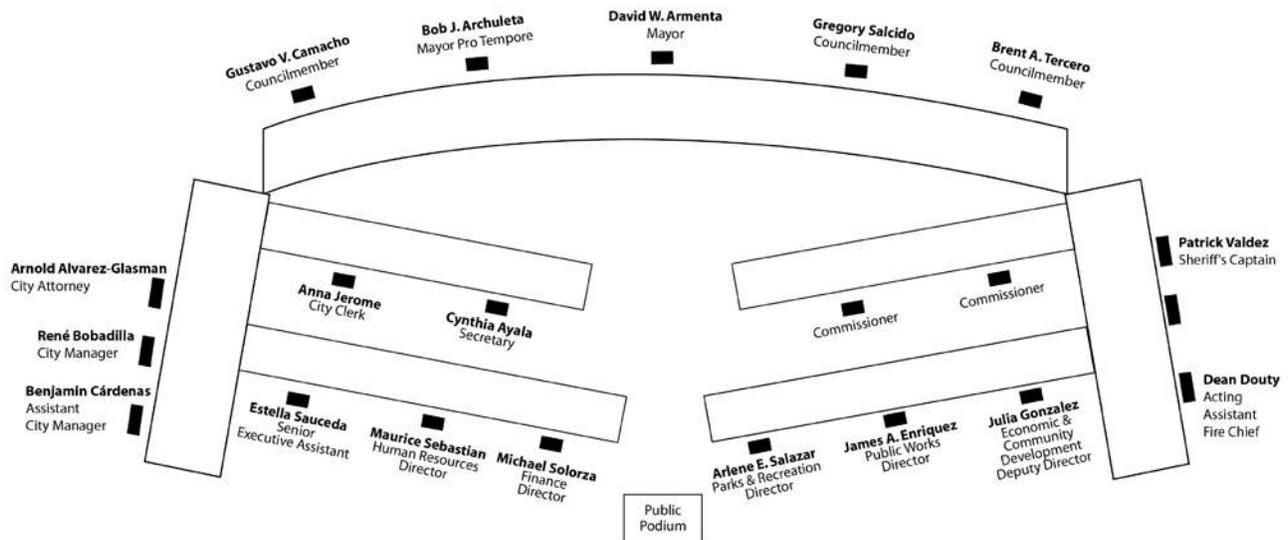


Anna M. Jerome, CMC
City Clerk

SB343 NOTICE

In compliance with and pursuant to the provisions of SB343 any public writing distributed by the City Clerk to at least a majority of the City Council Members regarding any item on this regular meeting agenda will be available on the back table at the entrance of the Council Chamber at the time of the City Council meeting and at the counter of City Hall at 6615 Passons Boulevard, Pico Rivera, California during normal business hours.

Council Meeting Seating Chart



STATEMENT REGARDING DECORUM AT CITY COUNCIL MEETINGS

If you wish to speak at the time set aside for public comments, the City Council has established the following standards and Rules of Decorum as allowed by State law.

- Public comment is limited to those portions of the meeting referred to as Public Comments. These portions are intended for members of the public to address the City Council, Successor Agency, Housing Assistance Agency or Water Authority on matters related to agendas or any other items under the subject matter jurisdiction of the City Council or Agencies.
- A **yellow** Public Hearing Comment Request card must be completed to speak during a Public Hearing.
- A **green** Public Comment Request – Card is for those wishing to address the Council/Agency on agenda items or any other items under the subject jurisdiction of the City Council/Agency.
- Citizens may address the Council, Successor Agency or Housing Assistance Agency once for a **maximum of three minutes**. After each speaker returns to his/her seat, the Mayor shall determine the time and manner of response, but typically if answers are available, they will be given after all speakers have had an opportunity to address the City Council.
- Members of the audience are asked to refrain from clapping or otherwise speaking from their seats. Those not meeting the standards for decorum may be escorted from the meeting.

RULES OF DECORUM CAN BE FOUND IN THE PICO RIVERA MUNICIPAL CODE SECTION 2.08.050 AS ESTABLISHED BY ORDINANCE 783 ADOPTED ON AUGUST 20, 1990 AND AMENDED BY ORDINANCES 822 (SEPTEMBER 21, 1992) AND 1020 (MARCH 21, 2006).



To: Mayor and City Council

From: City Manager

Meeting Date: October 25, 2016

Subject: PUBLIC HEARING – ZONE CODE AMENDMENT NO. 179, AN AMENDMENT TO CHAPTER 18.40 (LAND USE REGULATIONS) PERMITTING HOME OCCUPATIONS IN CERTAIN COMMERCIAL AND MIXED-USE ZONES AND CHAPTER 18.52 (HOME OCCUPATIONS) PERTAINING TO RESIDENTIAL DWELLINGS LOCATED ON PROPERTIES DIRECTLY ABUTTING MAJOR ARTERIALS OF THE PICO RIVERA MUNICIPAL CODE

Recommendations:

1. Adopt the Resolution approving Zone Code Amendment No. 179; and
2. First Reading and introduction of Ordinance amending Title 18 (Zoning), of the City of Pico Rivera Municipal Code.

Fiscal Impact:

The recommended City Council action does not have a fiscal impact.

Discussion:

On August 15, 2016, the Planning Commission directed staff to review the City's home occupation regulations to determine if certain flexibilities in home occupation regulations may be permitted for residents residing in residential dwellings located directly adjacent to any of the City's major arterials, identified within the City of Pico Rivera's General Plan, as follows: Rosemead Boulevard; Paramount Boulevard; Telegraph Road; Slauson Avenue; Washington Boulevard; Whittier Boulevard; and Beverly Boulevard.

Chapter 18.40 (Land Use Regulations) of the Pico Rivera Zoning Code currently specifies that home occupations are permitted within all residential zones classifications subject to the issuance of a home occupation permit pursuant to Chapter 18.52 (Home Occupations), which allows residents to operate a limited and restricted home office business in any dwelling within a residential zone, as long as the home-based business is clearly subordinate and incidental to the residential use of the property, and its operation has no detrimental effect on the surrounding neighborhood.

Background:

In recognition of the importance of small businesses and entrepreneurship, municipalities typically allow residents to conduct a home-based business under certain restrictions and conditions. In addition, many cities, including Pico Rivera, have updated their zoning regulations to encourage developments consisting of both commercial uses and residential dwellings, also referred to as mixed-use developments, within commercial zones. Considering that the advancement and development of new digital technologies provides residents with the ability to more efficiently and effectively conduct home occupations and the desire for the City to encourage small business development and entrepreneurship through flexible home occupation regulations, staff has determined that an update to the City's home occupation regulations is necessary. Such amendments shall pertain to allowing home occupations within legally permitted dwellings within certain commercial zones and permitting on-premise customer consultation under certain conditions and restrictions.

Proposed Changes to Chapter 18.40 (Land Use Regulations)

The Pico Rivera Zoning Code currently allows the development of residential dwellings within the following commercial zones: Professional Administrative (P-A); Community Commercial (C-C); General Commercial (C-G); and Mixed-Use Overlay (M-U Overlay) zones, subject to the approval of a conditional use permit or zoning administrator approval. In order to allow legally permitted dwellings within the aforementioned commercial zones to enjoy the same rights of operating a home-based business as dwellings within residential zones, staff is proposing to allow dwellings located in commercial zones to operate a home-based business with the approval of a home occupation permit.

Section 18.40.040, Land use chart, of the City's Zoning Code would be amended to allow home occupations within the P-A, C-C, C-G and M-U Overlay commercial zones, subject to the approval of a home occupation permit pursuant to Chapter 18.52 (Home Occupations).

Proposed Changes to Chapter 18.52 (Home Occupations)

Currently, Chapter 18.52 (Home Occupations) does not permit on-premise customer consultation, except by phone or mail, in connection with a home occupation/home-based business. The prohibition is meant to protect the surrounding residential neighborhood from disruptive activities that may be caused by the operation of one or multiple home occupations within a single neighborhood. In order to avoid detrimental effects within the City's established residential neighborhoods and to permit flexibility for appropriately located residential dwellings, staff proposed to permit on-premise customer consultation in connection with home occupations within dwellings located on properties that directly abut a Major Arterial, identified within the Circulation Element of the City of Pico Rivera's General Plan as: Rosemead Boulevard; Paramount Boulevard; Telegraph Road; Slauson Avenue; Washington Boulevard; Whittier Boulevard; and Beverly Boulevard.

Staff researched and surveyed the home occupation regulations of the following agencies (Enclosure 4) that permit on-premise customer consultation: City of Sacramento; City of San Diego; County of Santa Cruz; and City of Torrance. All agencies have a limit of one customer permitted to be on the premises at any one time. The cities of San Diego and Torrance establish specific hours that customers may visit the subject dwelling, while Sacramento establishes a maximum number of customers that may receive on-premise consultation within a two-hour period and daily. The County of Santa Cruz permits larger and more invasive home occupation operations and so requires that on-premise parking be provided for all employees and customers. The cities of San Diego, Sacramento and Torrance do not require any on-premise customer parking.

City staff has analyzed the aforementioned agency ordinances and included the following restrictions and conditions to assist in mitigating any impacts the operation of home occupations with on-premise consultation may have to the surrounding community:

1. Dwelling is located on a property whose front property line directly abuts a Major Arterial or whose street-adjacent side property line abuts a Major Arterial and provides direct legally permitted vehicular access via a driveway from the Major Arterial. On-premise consultation is prohibited within dwellings located on properties whose front and or street-adjacent side property lines directly abut a frontage road that runs parallel to a Major Arterial and is separated from the Major Arterial by a median.
2. Dwelling is not located within an apartment complex or condominium or similar development;
3. Property complies with current off-street parking requirements and is not a non-conforming dwelling in regards to off-street parking;
4. Dwelling possesses at least one off-street parking space for customer parking with minimum dimensions of 9-feet in width and 20-feet in depth provided on a legally permitted driveway or within a legally permitted carport or garage that does not impede any required drive aisles;
5. Maximum of one customer may receive on-premise consultation at any one time (a family unit, such as a parent and one or more children, is considered one client or customer for purposes of this restriction);
6. On-premise consultation shall be restricted to services typically rendered within a business office; and
7. On-premise consultation shall be permitted between the hours of 7:00 a.m. to 7:00 p.m.

In addition, staff is proposing to include a condition that all home occupations comply with the noise compatibility guidelines set forth within the Noise Element of the City of Pico Rivera's General Plan in order to protect surrounding sensitive uses from noise impacts potentially generated from home occupation activities. Lastly, staff is proposing to add the Infill Residential (R-I) zoning classification to the residential zones that permit home occupations as outlined in Chapter 18.52 (Home Occupations), which is already a permitted use within R-I zones per Chapter 18.40 (Land Use Regulations).

Planning Commission Recommendation

On September 19, 2016, the Planning Commission held a public hearing unanimously recommending City Council approval of ZCA No. 179, amending Chapters 18.40 (Land Use Regulations) and 18.52 (Home Occupations) of the Pico Rivera Municipal Code allowing for home occupations within certain commercial and mixed-use zones and permitting on-premise consultation in connection with home occupations conducted within dwellings that are appropriately located along the City's Major Arterials.

Environmental Analysis

Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the Community and Economic Development Department has determined that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061 (b)(3) which states that "where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA".

Conclusion:

Staff recommends that the City Council approve Zone Code Amendment No. 179 amending Chapter 18.40 (Land Use Regulations) and Chapter 18.52 (Home Occupations) of the Pico Rivera Municipal Code.



Renè Bobadilla

RB:BM:CG:em

- Enclosures:
- 1) City Council Resolution
 - 2) Planning Commission Resolution No. 1240
 - 3) Survey of Cities
 - 4) Categorical Exemption
 - 5) Public Notice

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, ADOPTING AN AMENDMENT TO CHAPTER 18.40 (LAND USE REGULATIONS) PERMITTING HOME OCCUPATIONS IN CERTAIN COMMERCIAL AND MIXED-USE ZONES AND CHAPTER 18.52 (HOME OCCUPATIONS) PERTAINING TO RESIDENTIAL DWELLINGS LOCATED ON PROPERTIES DIRECTLY ABUTTING MAJOR ARTERIALS, OF THE PICO RIVERA MUNICIPAL CODE DESIGNATED HEREIN AS ZONE CODE AMENDMENT NO. 179

WHEREAS, existing Zoning Code, Ordinance No. 534, was adopted on April 1, 1975, and, as amended from time to time, lists the land uses permitted in each zone classification in the City, and expressly prohibits all land uses not specifically permitted;

WHEREAS, the Planning Commission of the City of Pico Rivera has conducted a public hearing on the matter of amendment to Chapters 18.40 and 18.52 of the Pico Rivera Municipal Code at a legally noticed public hearing held on September 19, 2016;

WHEREAS, the Planning Commission has duly considered the Zoning Code amendments, staff reports and presentations, public testimony, and all other matters presented at the public hearing held on this matter; and

WHEREAS, the Planning Commission adopted Resolution No. 1240 recommending approval to the City Council for Zone Code Amendment No. 179; and

NOW, THEREFORE, be it resolved by the City Council of the City of Pico Rivera that:

SECTION 1. The foregoing recitals are true and correct and incorporated herein as substantive findings of this resolution.

SECTION 2. The City Council concurs with the Community and Economic Development Department and Planning Commission determination that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061 (b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 3. Pursuant to Article II of Chapter 18.62 of the Pico Rivera Municipal Code, the City Council of the City of Pico Rivera hereby approves this Resolution and introduces Ordinance No. ____, submitted concurrently with this Resolution, amending Title 18 of the Pico Rivera Municipal Code, modifying Chapters 18.40 and 18.52 as specifically described in Section 4, and Sections 5, 6 and 7, respectively, of the attached draft ordinance designated herein as Exhibit "A" and made a part hereof and further designated as Zone Code Amendment No. 179.

SECTION 4. Further, this Resolution with reports and findings and recommendations herein contained and the recommended Ordinance attached hereto in this matter shall constitute a report of the City Council.

SECTION 5. The City Council finds that the amendment to Title 18 of the Pico Rivera Municipal Code shall be approved for the following reasons and findings:

- a) The City of Pico Rivera Zoning Code contains various commercial and mixed-use zones in which residential dwellings may be developed and located, which necessitates the application of the City's home occupations regulations;
- b) The proposed amendments are consistent with the spirit and integrity of the Municipal Code as the intent of Chapter 18.52 (Home Occupations) is to establish regulations and procedures to provide for the conduct of home-based businesses in dwellings in such a manner as to be compatible with, and not disruptive to, surrounding residential neighborhoods.
- c) The proposed amendment is consistent with the spirit and integrity of the Municipal Code as the intent of Chapter 18.40 (Land Use Regulations) is to categorize and classify numerous uses of land, and the conditions, requirements, and limitations applicable in the respective zone classifications, to ensure the compatibility of various land uses in the City.
- d) Due to the advancement and development of new communication technologies allowing residents to more efficiently and effectively conduct home occupations, the public necessity, convenience and general welfare requires changes and modifications to the City of Pico Rivera's Zoning Ordinance to more effectively regulate and update the regulation of home occupations within the City.

SECTION 6. The City Clerk shall certify to the adoption of this Resolution and hereafter the same shall be in full force and effect.

[SIGNATURES ON THE FOLLOWING PAGE]

RESOLUTION NO. _____

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APPROVED AND ADOPTED this 25th day of October, 2016.

David W. Armenta, Mayor

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome
City Clerk

Arnold M. Alvarez-Glasman
City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING CHAPTER 18.40 (LAND USE REGULATIONS) PERMITTING HOME OCCUPATIONS IN CERTAIN COMMERCIAL AND MIXED-USE ZONES AND CHAPTER 18.52 (HOME OCCUPATIONS) PERTAINING TO RESIDENTIAL DWELLINGS LOCATED ON PROPERTIES DIRECTLY ABUTTING MAJOR ARTERIALS OF THE PICO RIVERA MUNICIPAL CODE DESIGNATED COLLECTIVELY HEREIN AS ZONE CODE AMENDMENT NO. 179

WHEREAS, the City is authorized to amend its Zoning Code pursuant Chapter 18.62 of the Pico Rivera Municipal Code where it is deemed essential, or public necessity, convenience and general welfare require changes in or modifications;

WHEREAS, Chapter 18.52 of the Pico Rivera Municipal Code regulating home occupations is intended to provide for a means to the convenience of maintaining a livelihood and well-being while also establishing reasonable restrictions on a business or occupation that may be carried on in a residential dwelling;

WHEREAS, the City's Zoning Ordinance contains various commercial and mixed-use zones in which residential dwelling may be developed and located, which necessitate the application of the City's home occupation regulations;

WHEREAS, the amendments contained herein are consistent with the intent of the Chapter 18.52 by amending and modifying the City's Zoning Ordinance to allow home occupations in specific residential zones; and

WHEREAS, the advancement and development of new communication technologies allow residents to more efficiently and effectively conduct home occupations, the public necessity, convenience and general welfare require changes and modifications to the City's Zoning Ordinance to more effectively regulate and update the regulation of home occupations within the City.

THE CITY COUNCIL OF THE CITY OF PICO RIVERA DOES ORDAIN AS FOLLOWS:

SECTION 1. The recitals set forth above are hereby adopted as findings and incorporated herein by this reference.

SECTION 2. The City Council also finds that the amendment to the Zoning Code is consistent with the General Plan and that the public necessity, convenience and general welfare require the amendments set forth herein.

ORDINANCE NO. _____
ZONE CODE AMENDMENT NO. 179
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SECTION 3. The City Council further finds that the proposed amendment is consistent with the spirit and integrity of the Municipal Code as to the intent of Chapters 18.40 and 18.52.

SECTION 4. Subsection (D) entitled “Commercial Uses” contained in Table 18.40.040 entitled “Land Use Chart” under Section 18.40.040, entitled “Land use Chart – Contents,” within Chapter 18.40, “Land Use Regulations,” of the Pico Rivera Municipal Code is hereby amended as follows:

	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
1.	Adult uses		60					
2.	Animal hospitals		20, 23, 55, 57		20, 23, 55, 57	20, 23, 55, 57		20, 23, 55, 57
3.	Antique shops				12, 20, 27, 55, 57	12, 20, 27, 55, 57	1, 12, 27, 55, 57	1, 12, 27, 57
4.	Appliance sales, rentals, repairs, service		20, 28, 55					
5.	Automotive related sales and installation		2		2	2		
6.	Automated teller machines-interior	55	55	55	55	55	1, 55	55
7.	Automated teller machines-exterior	61	61	61	61	61	61	61
8.	Automobile leasing and renting		20, 24, 51, 55		20, 24, 51, 55	20, 24, 51, 55	1, 20, 24, 51, 55	
9.	Automobile parts and accessories stores		20, 29, 55, 57		20, 29, 55, 57	20, 29, 55, 57	1, 29, 55, 57	
10.	Automobile repair shops		1, 28, 36		1, 28, 36	1, 28, 36	1, 28	
11.	Automobile sales, new and used		2, 13, 28		2, 13, 28	2, 13, 28		
12.	Automobile service stations		1, 28		1, 19, 28	1, 19, 28		
13.	Automobile upholstery shops		2, 57		1	1		
14.	Bakeries		15, 20, 55, 57	15, 20, 55, 57	15, 20, 55, 57	15, 20, 55, 57	1, 15, 55, 57	15, 55, 57
15.	Banks, savings and loan associations, and other similar lending institutions, but excluding pawnshops	20, 55, 57, 61			20, 55, 57, 61	20, 55, 57, 61	1, 55, 57, 61	55, 57, 61
16.	Barbershops and beauty shops	20, 55, 33, 57		20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	55, 57
17.	Bars and cocktail lounges				1, 25	1, 25	1, 25	

ORDINANCE NO. _____
ZONE CODE AMENDMENT NO. 179
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	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
18.	Bicycle shops				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
19.	Bookstores	20, 55, 33, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
20.	Bowling alleys, skating rinks and similar recreational facilities				1	2	1	1
21.	Building materials, new		20, 55					
22.	Business offices and services	20, 55, 57	20, 55, 57		20, 55, 57	20, 55, 57	1, 55, 57	20, 55, 57
23.	Cafés and restaurants	20, 33, 55, 56	20, 55, 56		20, 55, 56	20, 55, 56	1, 55, 56	1, 20, 55, 56
24.	Carwashes, automatic or coin-operated only		2		1	1		
25.	Ceramics, stone, tile products		20, 55					
26.	Check cashing establishments		55, 57, 72			55, 57, 72		
27.	Clothing and wearing apparel stores of new retail merchandise only				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
28.	Coin-operated games and game arcades		1, 53, 55, 57		1, 53, 55, 57	1, 53, 55, 57	1, 53, 55, 57	
29.	Confectionery stores			20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	55, 57
30.	Craft and hobby shops				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
31.	Dental laboratories or scientific research centers	1						1
32.	Drapery shops		17, 20, 55, 57		17, 20, 55, 57	17, 20, 55, 57	1, 17, 55, 57	17, 55, 57
33.	Dressmaking and millinery shops				17, 20, 55, 57	17, 20, 55, 57	1, 17, 55, 57	17, 55, 57
34.	Drive-in and drive-thru business establishments			1, 18, 28	1, 18, 28	1, 18, 28	1, 18, 28	1, 18, 28
35.	Drug or alcohol outpatient treatment facilities	1			1	1		
36.	Drugstore				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
37.	Dry cleaning, laundry and pressing establishments	20, 33			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
38.	Electric distribution substation	1, 55		1	1	1		
39.	Electronic components and supplies		20, 58					
40.	Equipment (light) rentals		20, 55					
41.	Florist shops	20, 33,	20, 55,		20, 55,	20, 55,	1, 55, 57	20, 55, 57

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ZONE CODE AMENDMENT NO. 179
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	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
		55, 57	57		57	57		
42.	Food markets			20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
43.	Fortune telling					1, 37		
44.	Fire cell generator	1, 55		1, 55	1, 55	1, 55		
45.	Furniture and appliance stores		20, 22, 55, 57		20, 22, 55, 57	20, 22, 55, 57	1, 22, 55, 57	20, 22, 55, 57
46.	Furniture, cabinet making		20, 58					
47.	Furniture upholstery		20, 55, 57		20, 55, 57	20, 55, 57		
48.	Galleries, works of art and collections	20, 33, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
49.	Gas metering and control stations	1, 55		1	2	2		
50.	Hardware stores				20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
51.	<u>Home Occupations</u>	<u>11</u>			<u>11</u>	<u>11</u>		<u>11</u>
52.	Hospitals	1			1	1		1
523.	Hotels and motels				1	1		
534.	Jewelry stores	20, 33, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	1, 20, 55, 57
545.	Laundromats			20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
556.	Liquor stores, packaged off-sale only		1		1	1	1	1
567.	Live/work	78		78	78	78		77, 78
578.	Locksmith shop		20, 55, 57		20, 55, 57	20, 55, 57	20, 55, 57	55, 57
589.	Medical laboratories	2	2			2		2
5960.	Mobilehome sales, new and used					2, 14		
601.	Motorcycle sales, repairs, rentals, new and used		1		1	1		
642.	Muffler shops, automobile only				1	1		
623.	Multifamily dwellings	1, 34, 57			1, 34	1, 34		1, 76
634.	Newspaper publishing		1					1
645.	Nurseries and retail building				20, 55	20, 55	1, 55	
656.	Off-sale of alcoholic beverages at auto/service stations				1, 39	1, 39		
667.	Off-site hazardous waste facility					1, 43, 45		
678.	Off-street parking facilities	2			2	2	1	1

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ZONE CODE AMENDMENT NO. 179
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	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
	privately owned and operated							
689.	On-site sale or tasting of alcoholic beverages	1, 25	1, 25		1, 25	1, 25	1, 25	1, 25
6970.	On-site hazardous waste facility					44, 45, 55		
701.	Packaging and assembly of non-hazardous products		20, 28, 58					
712.	Parcel delivery		1					
723.	Personal service shops and associated retail sales				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
734.	Pet shops and grooming				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
745.	Pharmacies	20, 33, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
756.	Photography studios and associated processing	20, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
767.	Picture frames and framing		20, 55, 57		20, 55, 57	20, 55, 57	1, 55, 57	55, 57
778.	Printing and reproduction establishments		20, 28, 55, 57		20, 54, 55, 57	20, 54, 55, 57	1, 54, 55, 57	55, 57
789.	Private clubs, fraternities, sororities, lodges and institutions of nonprofit or charitable nature				2	2		55, 57
7980.	Religious places of worship	1		1	1			
801.	Resthomes	2			2	2		
812.	Satellite dish receiving antenna	30	30	30	30	30	30	1
823.	Shoe repair shops				20, 55, 57	20, 55, 57		55, 57
834.	Sign shops		28, 55		20, 55, 57	20, 55, 57		55, 57
845.	Small boat sales and service		20, 28, 55					
856.	Stationery stores, including incidental printing				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
868.	Studios, except motion picture				20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
878.	Temporary uses	42	42	42	42	42	42	42
889.	Theaters				1	1	1	1
8990.	Trade schools	1	1		1	1	1	1
9091.	Truck, trailer, camper, recreational vehicle sales, new and used		1					

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ZONE CODE AMENDMENT NO. 179
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	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
922.	Unclassified uses	1, 48	1, 48	1, 48	1, 48	1, 48	1, 48	1, 48
923.	Wireless telecommunication facilities	45	45	45	45	45	45	1
934.	Wrought-iron work shops		20, 28, 55					
945.	Yardage stores				20, 55, 57	20, 55, 57	1, 55, 57	

SECTION 5. Section 18.52.030, “Purpose of permits,” of Chapter 18.52, “Home Occupations,” of the Pico Rivera Municipal Code is hereby amended as follows:

The intent and purpose of this chapter is to provide a means by which, for the convenience of maintaining a livelihood and well-being, a restricted and limited business or occupation may be carried on in any dwelling in any residential zone or dwelling in any P-A, C-C, C-G, and M-U Overlay zones, but which is clearly subordinate and incidental to the uses permitted in such zone or residential dwelling, and for which its operation could have no detrimental or adverse affects on the neighborhood area in which it may be located. It is also the intent and purpose of this chapter to only allow the issuance of a home occupation permit to the occupant of the residence or dwelling located in the R-E, ~~and~~ S-F, R-I, PUD and R-M zones and in the P-A, C-C, C-G, and M-U Overlay zones.

SECTION 6. Section 18.52.050, “Permit – Application, fee and conditions,” of Chapter 18.52, “Home Occupations,” of the Pico Rivera Municipal Code is hereby amended as follows:

- A. Any owner or occupant of any legally permitted dwelling located only in the R-E, S-F, R-I, PUD, ~~or~~ R-M, P-A, C-C, C-G or M-U Overlay zone may file with the zoning administrator an application for a home occupation permit, verified by said owner or occupant on forms prescribed by the zoning administrator, accompanied by a permit application fee in an amount established by a resolution of the city council. The application shall set forth and include any information as the zoning administrator may require.
- B. Issuance of a home occupation permit shall not become effective unless and/or until a business license has been obtained therefor, and no business license shall be issued by the director of finance until documentary evidence of the issuance of a home occupation permit has first been shown. Any home

occupation permit issued to an illegal dwelling in error shall become null and void.

SECTION 7. Section 18.52.090, "Other conditions and restrictions," of Chapter 18.52, "Home Occupations," of the Pico Rivera Municipal Code is hereby amended as follows:

Other conditions, restrictions and regulations governing home occupations shall be as follows:

- A. Every home occupation permit shall only be issued to the owner or occupant of the property, and such permit shall only be applicable and remain in effect so long as the applicant is a resident of the premises for which such permit is issued, and shall not be transferable to any other person or property.
- B. The operation of every home occupation permit shall be limited to only the residents of the premises for which such permit is issued and shall not engage more than three such resident persons.
- C. There shall not be any on-premise sales, displays, or consultation, except by phone or mail; no on-premise manufacturing fabrication or processing; on-premise office or storage use shall not occupy more than fifteen percent of the ground floor of the dwelling used in connection with the operation of a home occupation permit.
1. On-premise consultation exception. On-premise consultation may be permitted in connection with a home occupation if the following conditions and restrictions are met:
 - a. Dwelling is located on a property whose front property line directly abuts a Major Arterial as designated within the Circulation Element of the City of Pico Rivera's General Plan or whose street-adjacent side property line abuts a Major Arterial as designated within the Circulation Element of the City of Pico Rivera's General Plan and provides direct legally permitted vehicular access via a driveway from the Major Arterial. On-premise consultation is prohibited within dwellings located on properties whose front and or street-adjacent side property lines directly abut a frontage road that runs parallel to a Major Arterial and is separated from the Major Arterial by a median.
 - b. Dwelling is not located within an apartment complex or condominium or similar development.

- c. Property complies with current off-street parking requirements pursuant to Chapter 18.44 and is not a nonconforming dwelling in regards to off-street parking.
 - d. Dwelling possesses at least one off-street parking space for customer/client parking with minimum dimensions of 9-feet in width by 20-feet in depth provided on a legally permitted driveway or within a legally permitted carport or garage that does not impede any required drive aisles.
 - e. A maximum of one customer/client may receive on-premise consultation at any one time. A family unit, such as a parent and one or more children, is considered one client or customer for purposes of this restriction.
 - f. On-premise consultation shall be restricted to services typically rendered within a business office.
 - g. On-premise consultation shall be permitted between the hours of 7:00 a.m. to 7:00 p.m.
- D. All operations of a home occupation shall be conducted entirely within the inside of a dwelling and shall not exceed the use of more than fifteen percent of the ground floor building area in which it is located. Furthermore, no area outside the dwelling shall be used for the home occupation in any manner whatsoever, except for one six thousand pound vehicle used in connection with the operation of the home occupation required to be completely stored in the garage and for one off-street parking space pursuant to Subsection 18.5.090 (C)(1)(d).
- E. No interior or exterior alterations or remodeling of any type whatsoever shall be permitted in connection with a home occupation.
- F. All operations of a home occupation shall comply with the noise compatibility guidelines set forth within the Noise Element of the City of Pico Rivera's General Plan.

SECTION 8. Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the City Council finds that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061(b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 9. Severability. The City Council hereby declares that it would have passed this Ordinance sentence by sentence, paragraph by paragraph, and section by section and does hereby declare that the provisions of this Ordinance are severable, and if, for any reasons, any sentence, paragraph, or section of this Ordinance shall be held invalid, such decision shall not affect the validity of the remaining parts of this Ordinance.

SECTION 10. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be published in the manner prescribed by law. This Ordinance shall take effect thirty (30) days following its final passage.

APPROVED AND ADOPTED this ____ day of _____ 2016 by members of the City Council of the City of Pico Rivera, voting as follows:

David Armenta, Mayor

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

RESOLUTION NO. 1240**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PICO RIVERA RECOMMENDING CITY COUNCIL ADOPTION OF AN ORDINANCE AMENDING CHAPTER 18.40 (LAND USE REGULATIONS) PERMITTING HOME OCCUPATIONS IN CERTAIN COMMERCIAL AND MIXED-USE ZONES AND CHAPTER 18.52 (HOME OCCUPATIONS) PERTAINING TO RESIDENTIAL DWELLINGS LOCATED ON PROPERTIES DIRECTLY ABUTTING MAJOR ARTERIALS OF THE PICO RIVERA MUNICIPAL CODE DESIGNATED COLLECTIVELY HEREIN AS ZONE CODE AMENDMENT NO. 179**

WHEREAS, existing Zoning Code, Ordinance No. 534, was adopted on April 1, 1975, and, as amended from time to time, lists the land uses permitted in each zone classification in the City, and expressly prohibits all land uses not specifically permitted; and

WHEREAS, the Planning Commission of the City of Pico Rivera conducted a public hearing on the matter of amendment to Chapters 18.40 and 18.52 of the Pico Rivera Municipal Code at a legally noticed public hearing held on September 22, 2016; and

WHEREAS, the Planning Commission has duly considered the Zoning Code amendments, staff reports and presentations, public testimony, and all other matters presented at the public hearing held on this matter.

NOW, THEREFORE, the Planning Commission of the City of Pico Rivera does hereby resolve as follows:

SECTION 1. Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the Planning Commission finds that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061(b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 2. The Planning Commission hereby finds that the approval of said amendments to Chapters 18.40 and 18.52 of the Zoning Code will not be detrimental to the health, safety and welfare of the general public, and recommends that the City Council concur with the determination that the amendment will not have a significant effect on the environment pursuant to Section 15061(b)(3).

SECTION 3. Pursuant Chapter 18.62, Article II of the Pico Rivera Municipal Code, the Planning Commission of the City of Pico Rivera hereby recommends to the City Council of the City of Pico Rivera the approval of an Ordinance amending Title 18 of the Pico Rivera Municipal Code, modifying Chapters 18.40 and 18.52 as specifically described in Section 4, and Sections 5, 6 and 7, respectively, of the attached draft ordinance designated herein as Attachment "A" and made a part hereof and further designated as Zone Code Amendment No. 179.

SECTION 4. This Resolution with staff report and the recommended Ordinance attached hereto in this matter shall constitute a report of the Planning Commission to the City Council.

SECTION 5. The Planning Commission finds that the amendment to Title 18 of the Pico Rivera Municipal Code shall be approved for the following reasons and findings:

- a) The City of Pico Rivera Zoning Code contains various commercial and mixed-use zones in which residential dwellings may be developed and located, which necessitates the application of the City's home occupation regulations;
- b) The proposed amendments are consistent with the spirit and integrity of the Municipal Code as the intent of Chapter 18.52 (Home Occupations) is to establish regulations and procedures to provide for the conduct of home-based businesses in dwellings in such a manner as to be compatible with, and not disruptive to, surrounding residential neighborhoods.
- c) The proposed amendment is consistent with the spirit and integrity of the Municipal Code as the intent of Chapter 18.40 (Land Use Regulations) is to categorize and classify numerous uses of land, and the conditions, requirements, and limitations applicable in the respective zone classifications, to ensure the compatibility of various land uses in the City.
- d) Due to the advancement and development of new communication technologies allowing residents to more efficiently and effectively conduct home occupations, the public necessity, convenience and general welfare requires changes and modifications to the City of Pico Rivera's Zoning Ordinance to more effectively regulate and update the regulation of home occupations within the City.

[SIGNATURES ON THE FOLLOWING PAGE]

RESOLUTION NO. 1240

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APPROVED AND ADOPTED this 19th day of September 2016 by members of the Planning Commission of the City of Pico Rivera, voting as follows:



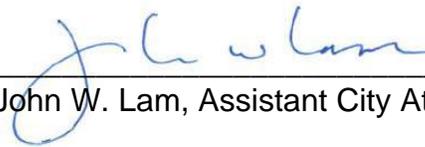
Paul Gomez, Chairperson

ATTEST:



Benjamin A. Martinez, Secretary
Planning Commission
Community & Economic Development Director

APPROVED AS TO FORM:



John W. Lam, Assistant City Attorney

AYES: Celiz, Elisaldez, Garcia, Gomez, Zermeno

NOES:

ABSENT:

ABSTAIN:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING CHAPTER 18.40 (LAND USE REGULATIONS) PERMITTING HOME OCCUPATIONS IN CERTAIN COMMERCIAL AND MIXED-USE ZONES AND CHAPTER 18.52 (HOME OCCUPATIONS) PERTAINING TO RESIDENTIAL DWELLINGS LOCATED ON PROPERTIES DIRECTLY ABUTTING MAJOR ARTERIALS OF THE PICO RIVERA MUNICIPAL CODE DESIGNATED COLLECTIVELY HEREIN AS ZONE CODE AMENDMENT NO. 179

WHEREAS, the City is authorized to amend its Zoning Code pursuant Chapter 18.62 of the Pico Rivera Municipal Code where it is deemed essential, or public necessity, convenience and general welfare require changes in or modifications;

WHEREAS, Chapter 18.52 of the Pico Rivera Municipal Code regulating home occupations is intended to provide for a means to the convenience of maintaining a livelihood and well-being while also establishing reasonable restrictions on a business or occupation that may be carried on in a residential dwelling;

WHEREAS, the City's Zoning Ordinance contains various commercial and mixed-use zones in which residential dwelling may be developed and located, which necessitate the application of the City's home occupation regulations;

WHEREAS, the amendments contained herein are consistent with the intent of the Chapter 18.52 by amending and modifying the City's Zoning Ordinance to allow home occupations in specific residential zones; and

WHEREAS, the advancement and development of new communication technologies allow residents to more efficiently and effectively conduct home occupations, the public necessity, convenience and general welfare require changes and modifications to the City's Zoning Ordinance to more effectively regulate and update the regulation of home occupations within the City.

THE CITY COUNCIL OF THE CITY OF PICO RIVERA DOES ORDAIN AS FOLLOWS:

SECTION 1. The recitals set forth above are hereby adopted as findings and incorporated herein by this reference.

SECTION 2. The City Council also finds that the amendment to the Zoning Code is consistent with the General Plan and that the public necessity, convenience and general welfare require the amendments set forth herein.

ORDINANCE NO. _____
ZONE CODE AMENDMENT NO. 179
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SECTION 3. The City Council further finds that the proposed amendment is consistent with the spirit and integrity of the Municipal Code as to the intent of Chapters 18.40 and 18.52.

SECTION 4. Subsection (D) entitled “Commercial Uses” contained in Table 18.40.040 entitled “Land Use Chart” under Section 18.40.040, entitled “Land use Chart – Contents,” within Chapter 18.40, “Land Use Regulations,” of the Pico Rivera Municipal Code is hereby amended as follows:

	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
1.	Adult uses		60					
2.	Animal hospitals		20, 23, 55, 57		20, 23, 55, 57	20, 23, 55, 57		20, 23, 55, 57
3.	Antique shops				12, 20, 27, 55, 57	12, 20, 27, 55, 57	1, 12, 27, 55, 57	1, 12, 27, 57
4.	Appliance sales, rentals, repairs, service		20, 28, 55					
5.	Automotive related sales and installation		2		2	2		
6.	Automated teller machines-interior	55	55	55	55	55	1, 55	55
7.	Automated teller machines-exterior	61	61	61	61	61	61	61
8.	Automobile leasing and renting		20, 24, 51, 55		20, 24, 51, 55	20, 24, 51, 55	1, 20, 24, 51, 55	
9.	Automobile parts and accessories stores		20, 29, 55, 57		20, 29, 55, 57	20, 29, 55, 57	1, 29, 55, 57	
10.	Automobile repair shops		1, 28, 36		1, 28, 36	1, 28, 36	1, 28	
11.	Automobile sales, new and used		2, 13, 28		2, 13, 28	2, 13, 28		
12.	Automobile service stations		1, 28		1, 19, 28	1, 19, 28		
13.	Automobile upholstery shops		2, 57		1	1		
14.	Bakeries		15, 20, 55, 57	15, 20, 55, 57	15, 20, 55, 57	15, 20, 55, 57	1, 15, 55, 57	15, 55, 57
15.	Banks, savings and loan associations, and other similar lending institutions, but excluding pawnshops	20, 55, 57, 61			20, 55, 57, 61	20, 55, 57, 61	1, 55, 57, 61	55, 57, 61
16.	Barbershops and beauty shops	20, 55, 33, 57		20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	55, 57
17.	Bars and cocktail lounges				1, 25	1, 25	1, 25	

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ZONE CODE AMENDMENT NO. 179
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	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
18.	Bicycle shops				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
19.	Bookstores	20, 55, 33, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
20.	Bowling alleys, skating rinks and similar recreational facilities				1	2	1	1
21.	Building materials, new		20, 55					
22.	Business offices and services	20, 55, 57	20, 55, 57		20, 55, 57	20, 55, 57	1, 55, 57	20, 55, 57
23.	Cafés and restaurants	20, 33, 55, 56	20, 55, 56		20, 55, 56	20, 55, 56	1, 55, 56	1, 20, 55, 56
24.	Carwashes, automatic or coin-operated only		2		1	1		
25.	Ceramics, stone, tile products		20, 55					
26.	Check cashing establishments		55, 57, 72			55, 57, 72		
27.	Clothing and wearing apparel stores of new retail merchandise only				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
28.	Coin-operated games and game arcades		1, 53, 55, 57		1, 53, 55, 57	1, 53, 55, 57	1, 53, 55, 57	
29.	Confectionery stores			20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	55, 57
30.	Craft and hobby shops				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
31.	Dental laboratories or scientific research centers	1						1
32.	Drapery shops		17, 20, 55, 57		17, 20, 55, 57	17, 20, 55, 57	1, 17, 55, 57	17, 55, 57
33.	Dressmaking and millinery shops				17, 20, 55, 57	17, 20, 55, 57	1, 17, 55, 57	17, 55, 57
34.	Drive-in and drive-thru business establishments			1, 18, 28	1, 18, 28	1, 18, 28	1, 18, 28	1, 18, 28
35.	Drug or alcohol outpatient treatment facilities	1			1	1		
36.	Drugstore				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
37.	Dry cleaning, laundry and pressing establishments	20, 33			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
38.	Electric distribution substation	1, 55		1	1	1		
39.	Electronic components and supplies		20, 58					
40.	Equipment (light) rentals		20, 55					
41.	Florist shops	20, 33,	20, 55,		20, 55,	20, 55,	1, 55, 57	20, 55, 57

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D.	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
		55, 57	57		57	57		
42.	Food markets			20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
43.	Fortune telling					1, 37		
44.	Fire cell generator	1, 55		1, 55	1, 55	1, 55		
45.	Furniture and appliance stores		20, 22, 55, 57		20, 22, 55, 57	20, 22, 55, 57	1, 22, 55, 57	20, 22, 55, 57
46.	Furniture, cabinet making		20, 58					
47.	Furniture upholstery		20, 55, 57		20, 55, 57	20, 55, 57		
48.	Galleries, works of art and collections	20, 33, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
49.	Gas metering and control stations	1, 55		1	2	2		
50.	Hardware stores				20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
51.	<u>Home Occupations</u>	<u>11</u>			<u>11</u>	<u>11</u>		<u>11</u>
52.	Hospitals	1			1	1		1
523.	Hotels and motels				1	1		
534.	Jewelry stores	20, 33, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	1, 20, 55, 57
545.	Laundromats			20, 55, 57	20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
556.	Liquor stores, packaged off-sale only		1		1	1	1	1
567.	Live/work	78		78	78	78		77, 78
578.	Locksmith shop		20, 55, 57		20, 55, 57	20, 55, 57	20, 55, 57	55, 57
589.	Medical laboratories	2	2			2		2
5960.	Mobilehome sales, new and used					2, 14		
601.	Motorcycle sales, repairs, rentals, new and used		1		1	1		
642.	Muffler shops, automobile only				1	1		
623.	Multifamily dwellings	1, 34, 57			1, 34	1, 34		1, 76
634.	Newspaper publishing		1					1
645.	Nurseries and retail building				20, 55	20, 55	1, 55	
656.	Off-sale of alcoholic beverages at auto/service stations				1, 39	1, 39		
667.	Off-site hazardous waste facility					1, 43, 45		
678.	Off-street parking facilities	2			2	2	1	1

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	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
	privately owned and operated							
689.	On-site sale or tasting of alcoholic beverages	1, 25	1, 25		1, 25	1, 25	1, 25	1, 25
6970.	On-site hazardous waste facility					44, 45, 55		
701.	Packaging and assembly of non-hazardous products		20, 28, 58					
712.	Parcel delivery		1					
723.	Personal service shops and associated retail sales				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
734.	Pet shops and grooming				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
745.	Pharmacies	20, 33, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
756.	Photography studios and associated processing	20, 55, 57			20, 55, 57	20, 55, 57	1, 55, 57	55, 57
767.	Picture frames and framing		20, 55, 57		20, 55, 57	20, 55, 57	1, 55, 57	55, 57
778.	Printing and reproduction establishments		20, 28, 55, 57		20, 54, 55, 57	20, 54, 55, 57	1, 54, 55, 57	55, 57
789.	Private clubs, fraternities, sororities, lodges and institutions of nonprofit or charitable nature				2	2		55, 57
7980.	Religious places of worship	1		1	1			
801.	Resthomes	2			2	2		
812.	Satellite dish receiving antenna	30	30	30	30	30	30	1
823.	Shoe repair shops				20, 55, 57	20, 55, 57		55, 57
834.	Sign shops		28, 55		20, 55, 57	20, 55, 57		55, 57
845.	Small boat sales and service		20, 28, 55					
856.	Stationery stores, including incidental printing				20, 55, 57	20, 55, 57	1, 55, 57	55, 57
868.	Studios, except motion picture				20, 55, 57	20, 55, 57	1, 55, 57	1, 55, 57
878.	Temporary uses	42	42	42	42	42	42	42
889.	Theaters				1	1	1	1
8990.	Trade schools	1	1		1	1	1	1
9091.	Truck, trailer, camper, recreational vehicle sales, new and used		1					

ORDINANCE NO. _____
ZONE CODE AMENDMENT NO. 179
Page 6 of 9

	Land Use	Zone						
		P-A	C-M	C-N	C-C	C-G	CPD	M-U Overlay
D.	Commercial Uses* (Every permitted use of land shall be conducted within an entirely enclosed building except as otherwise designated below.)							
922.	Unclassified uses	1, 48	1, 48	1, 48	1, 48	1, 48	1, 48	1, 48
923.	Wireless telecommunication facilities	45	45	45	45	45	45	1
934.	Wrought-iron work shops		20, 28, 55					
945.	Yardage stores				20, 55, 57	20, 55, 57	1, 55, 57	

SECTION 5. Section 18.52.030, “Purpose of permits,” of Chapter 18.52, “Home Occupations,” of the Pico Rivera Municipal Code is hereby amended as follows:

The intent and purpose of this chapter is to provide a means by which, for the convenience of maintaining a livelihood and well-being, a restricted and limited business or occupation may be carried on in any dwelling in any residential zone or dwelling in any P-A, C-C, C-G, and M-U Overlay zones, but which is clearly subordinate and incidental to the uses permitted in such zone or residential dwelling, and for which its operation could have no detrimental or adverse affects on the neighborhood area in which it may be located. It is also the intent and purpose of this chapter to only allow the issuance of a home occupation permit to the occupant of the residence or dwelling located in the R-E, ~~and~~ S-F, R-I, PUD and R-M zones and in the P-A, C-C, C-G, and M-U Overlay zones.

SECTION 6. Section 18.52.050, “Permit – Application, fee and conditions,” of Chapter 18.52, “Home Occupations,” of the Pico Rivera Municipal Code is hereby amended as follows:

- A. Any owner or occupant of any legally permitted dwelling located only in the R-E, S-F, R-I, PUD, ~~or~~ R-M, P-A, C-C, C-G or M-U Overlay zone may file with the zoning administrator an application for a home occupation permit, verified by said owner or occupant on forms prescribed by the zoning administrator, accompanied by a permit application fee in an amount established by a resolution of the city council. The application shall set forth and include any information as the zoning administrator may require.
- B. Issuance of a home occupation permit shall not become effective unless and/or until a business license has been obtained therefor, and no business license shall be issued by the director of finance until documentary evidence of the issuance of a home occupation permit has first been shown. Any home

occupation permit issued to an illegal dwelling in error shall become null and void.

SECTION 7. Section 18.52.090, "Other conditions and restrictions," of Chapter 18.52, "Home Occupations," of the Pico Rivera Municipal Code is hereby amended as follows:

Other conditions, restrictions and regulations governing home occupations shall be as follows:

- A. Every home occupation permit shall only be issued to the owner or occupant of the property, and such permit shall only be applicable and remain in effect so long as the applicant is a resident of the premises for which such permit is issued, and shall not be transferable to any other person or property.
- B. The operation of every home occupation permit shall be limited to only the residents of the premises for which such permit is issued and shall not engage more than three such resident persons.
- C. There shall not be any on-premise sales, displays, or consultation, except by phone or mail; no on-premise manufacturing fabrication or processing; on-premise office or storage use shall not occupy more than fifteen percent of the ground floor of the dwelling used in connection with the operation of a home occupation permit.
1. On-premise consultation exception. On-premise consultation may be permitted in connection with a home occupation if the following conditions and restrictions are met:
 - a. Dwelling is located on a property whose front property line directly abuts a Major Arterial as designated within the Circulation Element of the City of Pico Rivera's General Plan or whose street-adjacent side property line abuts a Major Arterial as designated within the Circulation Element of the City of Pico Rivera's General Plan and provides direct legally permitted vehicular access via a driveway from the Major Arterial. On-premise consultation is prohibited within dwellings located on properties whose front and or street-adjacent side property lines directly abut a frontage road that runs parallel to a Major Arterial and is separated from the Major Arterial by a median.
 - b. Dwelling is not located within an apartment complex or condominium or similar development.

- c. Property complies with current off-street parking requirements pursuant to Chapter 18.44 and is not a nonconforming dwelling in regards to off-street parking.
 - d. Dwelling possesses at least one off-street parking space for customer/client parking with minimum dimensions of 9-feet in width by 20-feet in depth provided on a legally permitted driveway or within a legally permitted carport or garage that does not impede any required drive aisles.
 - e. A maximum of one customer/client may receive on-premise consultation at any one time. A family unit, such as a parent and one or more children, is considered one client or customer for purposes of this restriction.
 - f. On-premise consultation shall be restricted to services typically rendered within a business office.
 - g. On-premise consultation shall be permitted between the hours of 7:00 a.m. to 7:00 p.m.
- D. All operations of a home occupation shall be conducted entirely within the inside of a dwelling and shall not exceed the use of more than fifteen percent of the ground floor building area in which it is located. Furthermore, no area outside the dwelling shall be used for the home occupation in any manner whatsoever, except for one six thousand pound vehicle used in connection with the operation of the home occupation required to be completely stored in the garage and for one off-street parking space pursuant to Subsection 18.5.090 (C)(1)(d).
- E. No interior or exterior alterations or remodeling of any type whatsoever shall be permitted in connection with a home occupation.
- F. All operations of a home occupation shall comply with the noise compatibility guidelines set forth within the Noise Element of the City of Pico Rivera's General Plan.

SECTION 8. Pursuant to the State of California Public Resources Code and State Guidelines for the California Environmental Quality Act (CEQA), the City Council finds that there is no possibility that the project will have a significant effect on the environment and as a result, no further CEQA review is necessary. This determination is in accordance with Section 15061(b)(3) of the CEQA Guidelines that states, a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 9. Severability. The City Council hereby declares that it would have passed this Ordinance sentence by sentence, paragraph by paragraph, and section by section and does hereby declare that the provisions of this Ordinance are severable, and if, for any reasons, any sentence, paragraph, or section of this Ordinance shall be held invalid, such decision shall not affect the validity of the remaining parts of this Ordinance.

SECTION 10. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be published in the manner prescribed by law. This Ordinance shall take effect thirty (30) days following its final passage.

APPROVED AND ADOPTED this ___ day of _____ 2016 by members of the City Council of the City of Pico Rivera, voting as follows:

David Armenta, Mayor

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

SURVEY OF CITIES: ON-PREMISE CONSULTATION PERMITTED IN CONNECTION WITH HOME OCCUPATIONS				
City	City of Sacramento	City of San Diego	County of Santa Cruz	City of Torrance
Allow customers on-site for on-premise consultation.	YES	YES	YES	YES, only for one-on-one music or arts instruction or academic tutoring.
No. of customers permitted on-premise at any one time.	Max. 1 (A family unit, such as parent or one or more children, is considered one client)	Max. 1 (By appointment)	Max. 1 (unless applicant obtains Level 5 Development Permit to permit more than 1 customer on premise at any one time).	Max. 1
Additional restrictions regarding on-premise customers.	No more than 1 customer per hour and no more than 8 customers visiting the residence in a day.	No more than 1 customer within a two hour period and customers permitted on premise between 7:00 a.m. to 7:00 p.m., Monday through Saturday only.	-	Music or arts instruction permitted on premise between 9:00 a.m. to 8:00 p.m., daily. Academic tutoring permitted on premise between 9:00 a.m. to 10:00 p.m.
Required on-premise parking for customers.	NO	A max. of 1 vehicle for business-related purposes is permitted on-street in residentially zoned area.	YES; On premise parking required to be provided for all employees or customers.	NO
Signage permitted	NO	NO	YES; 1 unlighted sign not larger than 1 sq ft. may be attached to the house or building where the home occupation will be conducted.	NO, except on vehicle that is used primarily for the home occupation and permitted to be parked or stored on or near the home occupation property.
Home Occupation Permit uses that allow customers to receive on-premise consultation.	General office; dressmaker; tailor; contractor, pet services, artist, tutoring, physician office; hair stylist; and instructors.	General office; service provider; or sellings goods manufactured by hand or grown on the premises.	General office; music lessons; small appliance repair; hair stylist; and other similar occupations.	One-on-one music or arts instruction; and one-on-one academic tutoring.

Notice of Exemption

To: County Clerk
 County of Los Angeles
 12400 Imperial Highway
 Norwalk, CA 90650

From: Community & Economic Development Department
 City of Pico Rivera
 6615 Passons Boulevard
 Pico Rivera, CA 90660

Project Title: Zone Code Amendment No. 179

Project Location-Specific: Citywide

Project Location-City: Pico Rivera **Project Location-County:** Los Angeles

Description of Nature, Purpose, and Beneficiaries of Project:
The project involves amending the following chapters within Title 18 (Zoning) of the Pico Rivera Municipal Code: Chapter 18.40 (Land Use Regulations), Chapter 18.52 (Home Occupations). The amendment to Chapter 18.40 (Land Use Regulations) would extend home occupations to legally permitted residential dwellings within the following commercial zones: Professional Administrative (P-A); Community Commercial (C-C); General Commercial (C-G); and Mixed-Use Overlay (M-U Overlay). The amendment to Chapter 18.52 (Home Occupations) would permit certain residential dwellings located adjacent to a Major Arterial, as designated within the Circulation Element of the City of Pico Rivera's General Plan, to conduct on-premise consultation under certain restrictions and conditions. Such restrictions and conditions would mitigate any detrimental or adverse affects on the neighborhood area in which the such home occupations may be located.

Name of Public Agency Approving Project: City of Pico Rivera
Name of Person or Agency Carrying Out Project: Christina Gallagher, Senior Planner

Exempt Status: *(check one)*
 Ministerial (Sec. 21080(b)(1); 15268);
 Declared Emergency (Sec.21080 (b)(3); 15269(a));
 Emergency Project (Sec 21080(b)(4); 15269 (b)(c));
 Categorical Exemption. State type and section number: CEQA Guidelines Section 15061(b)(3) (General Rule)
 Statutory Exemptions. State code number:

Reasons why project is exempt: The project consists of amendments to the Pico Rivera Municipal Code pertaining to extending the permitting and operation of home occupations within residential dwellings located in the following commercial zones: Professional Administrative (P-A); Community Commercial (C-C); General Commercial (C-G); and Mixed-Use Overlay (M-U Overlay). The project will also permit on-premise consultation in connection with home occupations that are appropriately located on properties directly abutting a Major Arterial, as identified with the Circulation Element of the City of Pico Rivera's General Plan. This project is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that this project may have a significant effect on the environment, the activity is not subject to CEQA.

Lead Agency Contact Person: Christina Gallagher, Senior Planner Telephone: 562-801-4332

If filled by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been field by the public agency approve the project? Yes No

Signature: _____ Date: _____ Title: Community & Economic Development Director

Signed by Lead Agency Date received for filing by OPR:
 Signed by Applicant

City Clerk-Treasurer
 Published: Oct 14, 2016 Whittier Daily News Ad#

**CITY OF PICO RIVERA CITY COUNCIL
 NOTICE OF PUBLIC HEARING FOR PROPOSED
 ZONE CODE AMENDMENT NO. 179**

NOTICE IS HEREBY GIVEN that a public hearing will be held before the City of Pico Rivera City Council to consider Zone Code Amendment No. 179, an amendment to Chapter 18.40 (Land Use Regulations) and Chapter 18.52 (Home Occupations) of Title 18 (Zoning) of the Pico Rivera Municipal Code permitting home occupations in certain commercial and mixed-use zones and providing for the revision of home occupation permit regulations for residential dwellings located on properties directly abutting major arterials, respectively.

WHEN: October 25, 2016
TIME: 6:00 P.M.
WHERE: City Hall Council Chambers
 6615 Passons Boulevard
 Pico Rivera, CA 90660
MAIL: PO Box 1016 **TELEPHONE:** (562) 801-4332

Pursuant with the provisions contained in the California Environmental Quality Act (CEQA), the Community and Economic Development Department has analyzed the proposed project and has found that this project is listed among the classes of projects that have been determined not to have a significant adverse effect on the environment, and therefore, is exempt from the provisions of CEQA. Accordingly, this project has been determined to be exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act Administrative Code, Title 14, Chapter 3, §15601(b)(3) (General Rule).

PERSONS INTERESTED IN THIS MATTER are invited to attend this hearing to express their opinion on the above matter. Written comments may also be submitted to the City of Pico Rivera Community & Economic Development Department from the date of this notice until October 25, 2016 before 5:00 p.m. Copies of all relevant material including project specifications are available to the public for review in the Community & Economic Development Department – Planning Division at City Hall, 6615 Passons Boulevard, Pico Rivera, California.

If you challenge the consideration or adoption of the proposed applications in court, you may be limited to raising only those issue you or someone else raised at the public hearing described in this notice, or written correspondence delivered to the City of Pico Rivera City Clerk at, or prior to, to the public hearing.

Anna M. Jerome
 City Clerk
Hrg: October 25, 2016, 6:00 p.m.
 ZCA No. 179

In compliance with the Americans with Disabilities Act of 1990, the City of Pico Rivera is committed to providing reasonable accommodations for a person with a disability. Please contact Anna M. Jerome at (562) 801-4389 if special program accommodations are necessary and/or if program information is needed in an alternative format. Special requests must be made in a reasonable amount of time in order that accommodations can be arranged.

Published: Oct 14, 2016 Whittier Daily News Ad#854522

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Tuesday, October 11, 2016

A Regular Meeting of the City Council was held in the Council Chamber, Pico Rivera City Hall, 6615 Passons Boulevard, Pico Rivera, California.

Mayor Armenta called the meeting to order at 6:00 p.m. on behalf of the City Council.

PRESENT: Archuleta, Camacho, Salcido, Tercero, Armenta

ABSENT: None

COMMISSIONERS SCHEDULED TO BE PRESENT:

Paul Gomez, Planning Commission

INVOCATION: Delivered by Pastor Jacobo, Calvary Chapel

PLEDGE OF ALLEGIANCE: Led by Mayor Pro Tem Archuleta

SPECIAL PRESENTATIONS:

- 2016 Most Business Friendly City in Los Angeles Award Finalist – presented by Bob Machuca
- Certificate of Recognition presented to Deputy Brian Perez-Argueta
- Presentation by Whittier First Day

PUBLIC COMMENTS:

Lauren Talbott, Community Library Manager:

- Addressed the City Council regarding upcoming library events.

Rosa Delgado:

- Addressed the City Council regarding Measure ER & RR on the upcoming ballot for the El Rancho Unified School District.

Rosy Navarro:

- Addressed the City Council to speak about creating a community theater for children of divorced families.

Karen Swift, Community Relations representative from Metro:

- Addressed the City Council regarding Measure M on the upcoming November ballot.

CONSENT CALENDAR:

City Council:

1. **Minutes:**
 - Approved City Council meeting of September 27, 2016
2. **Approved 5th Warrant Register of the 2016-2017 Fiscal Year.** (700)
Check Numbers: 273453-273544; 273547-273632
Special Check Numbers: 273545-273546
3. **Adopt a Resolution Opposing the Los Angeles County Metropolitan Transportation Authority (Metro) Expenditure Plan for the 2016 Proposed Ballot Measure M.** (1400)

This item was pulled from the Consent Calendar for further discussion and clarification.

4. **Installation of Traffic Control Devices – Traffic Safety.** (1400)
 1. Received and filed.
5. **Pico Park Enhancements Project (CIP No. 21279) Notice of Completion.** (500)
 1. Accepted the work as completed for the Pico Park Enhancements Project (CIP No. 21279) constructed by Salix Development, Inc., and authorized the City Clerk to file the Notice of Completion with the Los Angeles County Registrar-Recorder;
 2. Found that the requested “Changes in Work” for the Pico Park Enhancements Project have no significant effect on the environment and approved the changes in the amount of \$35,078. The final contract amount with Salix Development, Inc. is \$396,219;
 3. Approved the appropriation of \$9,725 of additional Public Image Enhancement (PIE) Funds (Fund 220) and adjusted the Fiscal Year 2016-17 budget accordingly to provide adequate project funding; and
 4. Approved the final Total Project Budget of \$558,125 and authorized the City Manager to release the retention payment and all other monies due to Salix Development, Inc. following the mandatory waiting period from the date the Notice of Completion is recorded.

Motion by Mayor Pro Tem Archuleta, seconded by Councilmember Salcido to approve Consent Calendar Items No. 1, 2, 4, and 5. Motion carries by the following roll call vote:

AYES: Archuleta, Camacho, Tercero, Salcido, Armenta
NOES: None

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION:

3. Adopt a Resolution Opposing the Los Angeles County Metropolitan Transportation Authority (Metro) Expenditure Plan for the 2016 Proposed Ballot Measure M. (1400)

Mayor Pro Tem Archuleta asked for an update as it pertains to the Gateway Cities Council of Governments (GCCOG) decision to oppose Measure M.

City Manager Bobadilla stated that the City Council voted to delay taking action on this item until the GCCOG had a chance to revisit the Measure. He stated that the GCCOG initially took action on July 6 to oppose the Measure but recently revisited the Measure after hearing from City Mayor Garcetti on the matter. On October 6, he stated, the GCCOG reconsidered the Measure and overwhelming voted to oppose it as the funding would be disproportionate.

Councilmember Tercero added that Twenty-one (21) cities voted to oppose it while seven (7) cities voted in support of Measure M. He further stated that the GCCOG does not see the Measure as being equitable to the east side of the city until possibly 2049.

Motion by Mayor Pro Tem Archuleta, seconded by Councilmember Tercero to adopt Resolution No. 6874 opposing the Los Angeles County Metropolitan Transportation Authority (Metro) Expenditure Plan for the 2016 proposed ballot Measure M. Motion carries by the following roll call vote:

Resolution No. 6874 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, OPPOSING THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY EXPENDITURE PLAN FOR THE 2016 PROPOSED BALLOT MEASURE M

AYES: Archuleta, Camacho, Tercero, Armenta
NOES: Salcido

REGULAR AGENDA:

City Council:

6. Proposed Amendment to Pico Rivera Municipal Code Chapter 3.56 Establishing an Administrative Claims Procedure for Claims Exempted Under the Government Tort Claims Act. (300)

Motion by Councilmember Salcido, seconded by Councilmember Camacho to introduce Ordinance No. 1100 amending Pico Rivera Municipal Code Chapter 3.56. Motion carries by the following roll call vote:

Ordinance No. 1100 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING TITLE 3, CHAPTER 3.56 OF THE CITY'S MUNICIPAL CODE RELATING TO THE PROCEDURE FOR CLAIMS AGAINST THE CITY **(FIRST READING AND INTRODUCTION)**

AYES: Archuleta, Camacho, Tercero, Salcido, Armenta

NOES: None

7. Adoption of the 2016 California Building Codes, Amending Title 15, Building and Construction, of the Pico Rivera Municipal Code. (500)

Motion by Councilmember Salcido, seconded by Councilmember Tercero to: 1) Introduce Ordinance No. 1101 Amending Title 15 of the Pico Rivera Municipal Code by adopting reference Parts 1 through 6, and 8 through 12 of Title 24 of the California Code of Regulations; 2) Set a public hearing for October 25, 2016 for adoption by reference, of the Codes Incorporating the California Building Code, California Residential Code, California Electrical Code, California Historical Code, California Plumbing Code, California Energy Code, California Existing Building Code, California Mechanical Code, California Green Building Standards Code, California Administrative Code, California Referenced Standards Code and the Los Angeles County Fire Code; and 3) Adopt Resolution No. 6875, which includes the findings necessary for the local amendments we have made to the model codes. Motion carries by the following roll call vote:

Ordinance No. 1101 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING SPECIFIED CHAPTERS OF TITLE 15 OF THE PICO RIVERA MUNICIPAL CODE ADOPTING BY REFERENCE PARTS 1 THROUGH 6, AND 8 THROUGH 12 OF TITLE 24 OF THE CALIFORNIA CODE OF REGULATIONS **(FIRST READING AND INTRODUCTION)**

Resolution No. 6875 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, SETTING FORTH FINDINGS FOR REQUIRED AMENDMENTS TO THE 2016 CALIFORNIA BUILDING STANDARDS CODES RELATIVE TO LOCAL CLIMATIC, TOPOGRAPHIC AND GEOLOGIC CONDITIONS

AYES: Archuleta, Camacho, Tercero, Salcido, Armenta

NOES: None

MAYOR/COUNCILMEMBER REPORTS ON INTERGOVERNMENTAL AGENCY MEETINGS:

Councilmember Tercero reported that through the rotation process he is no longer the Chairman for SASSFA and asked staff to look into CDBG funds or any other potential

funds that could assist in providing approximately 83 meals for persons on the wait list for home meal delivery.

AB1234 REPORTS ON TRAVEL AND CONFERENCE ATTENDANCE (RESOLUTION NO. 6640): None.

NEW BUSINESS:

Councilmember Salcido asked that the City Council, as individuals, have input in the selection process and vision for the Community and Economic Development departmental changes.

OLD BUSINESS:

Councilmember Camacho stated that over the last five years the City of Pico Rivera has been recognized as a finalist for the most business friendly city and stated that the feedback received from each of these recognitions has helped to improve the way the City does business. He stated that it is an honor to be recognized and selected and congratulated his colleagues and City staff.

Councilmember Tercero asked if the November 3 special meeting with Community Choice Aggregation could be moved to 4:00 p.m. and videotaped.

Mayor Pro Tem Archuleta asked Captain Valdez to provide City Council with an updated report for Citizens on Patrol.

Councilmember Salcido asked for a comprehensive report on the status of the Pico Rivera Gardens facility. In regard to IT personnel, he requested a status report on the two employees placed on administrative leave.

ADJOURNMENT:

Mayor Armenta adjourned the City Council meeting at 7:15 p.m. There being no objection it was so ordered.

AYES: Archuleta, Camacho, Tercero, Salcido, Armenta

NOES: None

David W. Armenta, Mayor

ATTEST:

Anna M. Jerome, City Clerk

I hereby certify that the foregoing is a true and correct report of the proceedings of the City Council regular meeting dated October 11, 2016 and approved by the City Council on October 25, 2016.

Anna M. Jerome, City Clerk

6th WARRANT REGISTER OF THE 2016-2017 FISCAL YEAR

MEETING DATE: 10/25/16

TOTAL REGISTER AMOUNT: \$625,291.72

CHECK NUMBERS: 273633-273753

SPECIAL CHECK NUMBERS:

REGULAR CHECK TOTAL: \$625,291.72

SPECIAL CHECK TOTAL:

TOTAL REGISTER AMOUNT: \$625,291.72

PAYROLL REGISTER P/P 09/16/16 - 09/30/16

Pay Date: 10/06/16

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406115

406162

SPECIAL CKS

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406116 - 406161 35,537.80

35,537.80

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406163 - 406382 298,617.61

298,617.61

TOTAL 334,155.41

City of Pico Rivera
Pico Rivera AP Checks 10/5/2016

Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/05/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: CBC GenOpe - CBC General Operating					
Check	10/05/2016	273633 Accounts Payable	Alliant Insurance Services, Inc.		1,484.93
	Invoice	Date	Description		Amount
	9404	09/15/2016	CONSULTING SERVICES		1,484.93
Check	10/05/2016	273634 Accounts Payable	Alvarez-Glasman & Colvin		8,900.00
	Invoice	Date	Description		Amount
	100116	10/01/2016	Professional Services		8,900.00
Check	10/05/2016	273635 Accounts Payable	American Emblematic		30.25
	Invoice	Date	Description		Amount
	8582-16	09/27/2016	PRINTING		30.25
Check	10/05/2016	273636 Accounts Payable	Angulo, Alberto		24.00
	Invoice	Date	Description		Amount
	11521	09/20/2016	CONTRACT INSTRUCTOR		24.00
Check	10/05/2016	273637 Accounts Payable	Aramark		1,137.88
	Invoice	Date	Description		Amount
	16993014	08/27/2016	UNIFORMS		89.06
	16999162	09/01/2016	UNIFORM		182.73
	1393552	09/22/2016	DEPARTMENTAL SUPPLIES		210.55
	531845499	09/15/2016	UNIFORM RENTAL		320.41
	531828133	09/08/2016	UNIFORM RENTAL		335.13
Check	10/05/2016	273638 Accounts Payable	Bishop Company		114.45
	Invoice	Date	Description		Amount
	41117	09/06/2016	PARK MAINTNEANCE		114.45
Check	10/05/2016	273639 Accounts Payable	Certex		657.22
	Invoice	Date	Description		Amount
	10618383-00	09/06/2016	SMALL TOOLS & EQUIPMENT		657.22
Check	10/05/2016	273640 Accounts Payable	Cintas Corp		290.42
	Invoice	Date	Description		Amount
	5005962247	09/16/2016	DEPARTMENTAL SUPPLIES		290.42

City of Pico Rivera
Pico Rivera AP Checks 10/5/2016

Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/05/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/05/2016	273641 Accounts Payable	City of Santa Fe Springs		12,421.67
	Invoice	Date	Description		Amount
	7361	09/07/2016	TRAFFIC SIGNAL MAINTENANCE SERVICES FOR THE CITY-JULY 2016		12,267.14
	7361-090716	09/07/2016	TRAFFIC SIGNS		154.53
Check	10/05/2016	273642 Accounts Payable	Cobian, Sr., Luis		674.40
	Invoice	Date	Description		Amount
	092216	09/22/2016	CONTRACT INSTRUCTOR FOR COURSE #11515		674.40
Check	10/05/2016	273643 Accounts Payable	Comlock Security Group		2,560.18
	Invoice	Date	Description		Amount
	71032	09/08/2016	SECURE & UPGRADE ACESS GATE SYSTEM AT CITY YARD		2,560.18
Check	10/05/2016	273644 Accounts Payable	Crafco, Inc.		806.20
	Invoice	Date	Description		Amount
	00430225	08/31/2016	WATER-OTHER		806.20
Check	10/05/2016	273645 Accounts Payable	Delgadillo, Dulcemonica		117.00
	Invoice	Date	Description		Amount
	092016	09/20/2016	CONTRACT INSTRUCTOR		117.00
Check	10/05/2016	273646 Accounts Payable	Dominguez, Ana Maria		313.66
	Invoice	Date	Description		Amount
	1548	09/01/2016	DRAIN CLEANER FOR ALL PARK FACILITIES		313.66
Check	10/05/2016	273647 Accounts Payable	Economy Mail Service		178.47
	Invoice	Date	Description		Amount
	092216	09/22/2016	MAIL SERVICE FOR SEPTEMBER 2016		178.47
Check	10/05/2016	273648 Accounts Payable	Ennis-Flint		2,219.26
	Invoice	Date	Description		Amount
	314677	09/02/2016	CHEMICALS-PURCHASE		998.26
	311037	07/22/2016	CHEMICALS-PURCHASE		495.00
	313365	08/17/2016	CHEMICALS-PURCHASE		726.00
Check	10/05/2016	273649 Accounts Payable	Ewing Irrigation Products		833.68
	Invoice	Date	Description		Amount

City of Pico Rivera
Pico Rivera AP Checks 10/5/2016

Bank Account: CBC GenOpe - CBC General Operating
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Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		2149837	09/09/2016	PARK MAINTENANCE	522.34
		2142746	09/08/2016	PARK MAINTENANCE	51.91
		2128254	09/03/2016	PARK MAINTENANCE	259.43
Check	10/05/2016	273650 Accounts Payable	Fast 5 Pico Rivera 5, LLC		172.80
		Invoice	Date	Description	Amount
		664	09/12/2016	AUTOMOTIVE -PARTS & SUPPLIES	172.80
Check	10/05/2016	273651 Accounts Payable	Glen's Refrigeration		285.00
		Invoice	Date	Description	Amount
		17424	09/19/2016	BUILDING-EQUIPMENT MAINT/REPAIR	285.00
Check	10/05/2016	273652 Accounts Payable	Graffiti Tracker		1,500.00
		Invoice	Date	Description	Amount
		3053	09/27/2016	GRAFFITI TRACKING SERVICE FOR SEPTEMBER 2016	1,500.00
Check	10/05/2016	273653 Accounts Payable	Inland Empire Tours and Transportation		1,450.00
		Invoice	Date	Description	Amount
		48147	09/19/2016	PROFESSIONAL SERVICES	1,450.00
Check	10/05/2016	273654 Accounts Payable	Johnstone Supply		53.38
		Invoice	Date	Description	Amount
		519057	09/15/2016	APPLIANCE-MAINTENANCE/REPAIR	9.49
		518801	09/06/2016	APPLIANCE-MAINTENANCE/REPAIR	25.12
		519225	09/15/2016	PROFESSIONAL SERVICES	18.77
Check	10/05/2016	273655 Accounts Payable	Karraa , Yolanda		6,620.00
		Invoice	Date	Description	Amount
		93016	09/30/2016	Professional Services	6,620.00
Check	10/05/2016	273656 Accounts Payable	Kosmont Companies		286.00
		Invoice	Date	Description	Amount
		0001	08/31/2016	PROFESSIONAL SERVICE FOR AUGUST 2016	286.00
Check	10/05/2016	273657 Accounts Payable	Louie Angon		382.20
		Invoice	Date	Description	Amount
		092016	09/20/2016	CONTRACT INSTRUCTOR	382.20

City of Pico Rivera
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Bank Account: CBC GenOpe - CBC General Operating
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Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/05/2016	273658 Accounts Payable	Meliton , Cruz F.		4,094.23
	Invoice	Date	Description		Amount
	18544	09/08/2016	TIRES & INSPECTION FOR UNIT #259		1,209.03
	18524	09/01/2016	REPAIR SEAT FOR UNIT #262		190.00
	18558	09/19/2016	TRANSMISSION REBUILT ON UNIT #259		2,695.20
Check	10/05/2016	273659 Accounts Payable	NASA Services Inc		136,157.74
	Invoice	Date	Description		Amount
	090116	09/01/2016	PROFESSIONAL SERVICES		136,157.74
Check	10/05/2016	273660 Accounts Payable	Office Depot		2,931.67
	Invoice	Date	Description		Amount
	857851220001	09/30/2016	OFFICE SUPPLIES		204.36
	857851336001	09/30/2016	OFFICE SUPPLIES		22.54
	859543696001	09/30/2016	OFFICE SUPPLIES		53.93
	859543798001	09/30/2016	OFFICE SUPPLIES		20.67
	861184932001	09/30/2016	OFFICE SUPPLIES		197.99
	861360222001	09/30/2016	OFFICE SUPPLIES		3.95
	861360295001	09/30/2016	OFFICE SUPPLIES		318.71
	855493246001	09/30/2016	OFFICE SUPPLIES		55.42
	855497387001	09/30/2016	OFFICE SUPPLIES		16.16
	855601057001	09/30/2016	OFFICE SUPPLIES		70.14
	856346333001	09/30/2016	OFFICE SUPPLIES		120.78
	856431841001	09/30/2016	OFFICE SUPPLIES		9.87
	856859773001	09/30/2016	OFFICE SUPPLIES		5.49
	856860090001	09/30/2016	OFFICE SUPPLIES		16.83
	858283525001	09/30/2016	OFFICE SUPPLIES		3.49
	859262502001	09/30/2016	OFFICE SUPPLIES		7.76
	860164899001	09/30/2016	OFFICE SUPPLIES		56.06
	860266434001	09/30/2016	OFFICE SUPPLIES		14.66
	856462625001	09/30/2016	OFFICE SUPPLIES CREDIT FOR RETURNED MERCHANDISE		(69.28)
	856463315001	09/30/2016	OFFICE SUPPLIES		270.82
	859252651001	09/30/2016	OFFICE SUPPLIES		76.20
	858699321001	09/30/2016	OFFICE SUPPLIES		11.61
	858699503001	09/30/2016	OFFICE SUPPLIES		71.14

City of Pico Rivera
Pico Rivera AP Checks 10/5/2016

Bank Account: CBC GenOpe - CBC General Operating
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Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		858699504001	09/30/2016	OFFICE SUPPLIES	121.66
		858275216001	09/30/2016	OFFICE SUPPLIES	266.06
		858275328001	09/30/2016	OFFICE SUPPLIES	4.25
		858479406001	09/30/2016	OFFICE SUPPLIES	79.11
		860927738001	09/30/2016	OFFICE SUPPLIES	19.29
		860927896001	09/30/2016	OFFICE SUPPLIES	151.11
		855357511001	09/30/2016	OFFICE SUPPLIES	221.62
		855357648001	09/30/2016	OFFICE SUPPLIES	89.63
		860138224001	09/30/2016	OFFICE SUPPLIES	89.09
		855384293001	09/30/2016	OFFICE SUPPLIES	330.55
Check	10/05/2016	273661 Accounts Payable	Orbit Rentals, Inc.		78.63
		Invoice	Date	Description	Amount
		188804	07/18/2016	BUILDING-EQUIPMENT MAINT/REPAIR	78.63
Check	10/05/2016	273662 Accounts Payable	Rodriguez , Alma		189.91
		Invoice	Date	Description	Amount
		092716	09/27/2016	DEPARTMENTAL EXPENSES	189.91
Check	10/05/2016	273663 Accounts Payable	Samba Holding Inc.		500.00
		Invoice	Date	Description	Amount
		5403-201608	08/31/2016	DRIVER RECORD MONITORING FOR AUGUST 2016	250.00
		5403-201607	07/31/2016	DRIVER RECORD MONITORING FOR JULY 2016	250.00
Check	10/05/2016	273664 Accounts Payable	Sanchez , Daniel		81.00
		Invoice	Date	Description	Amount
		091916	09/19/2016	CONTRACT INSTRUCTOR	81.00
Check	10/05/2016	273665 Accounts Payable	SC Fuels		944.48
		Invoice	Date	Description	Amount
		0689958-IN	09/07/2016	BUILDING MAINTENANCE SUPPLIES	944.48
Check	10/05/2016	273666 Accounts Payable	Scott Fazekas & Associates Inc.		1,235.00
		Invoice	Date	Description	Amount
		19035	07/31/2016	PLAN CHECK SERVICE FOR 6605 ROSEMEAD BLVD	1,235.00
Check	10/05/2016	273667 Accounts Payable	Sebastian , Maurice		101.33

City of Pico Rivera
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Bank Account: CBC GenOpe - CBC General Operating
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Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
		100616	10/06/2016	DEPARTMENTAL EXPENSES	101.33
Check	10/05/2016	273668 Accounts Payable	State Controller's Office		100.00
	Invoice		Date	Description	Amount
		092916	09/29/2016	PROFESSIONAL SERVICES	100.00
Check	10/05/2016	273669 Accounts Payable	Sterling , Bernadette M		483.00
	Invoice		Date	Description	Amount
		092116	09/21/2016	CONTRACTOR INSTRUCTOR FOR COURSE#11541	483.00
Check	10/05/2016	273670 Accounts Payable	Talx Corporation		231.04
	Invoice		Date	Description	Amount
		2185186	09/08/2016	SOCIAL SERVICES FOR AUGUST 2016	231.04
Check	10/05/2016	273671 Accounts Payable	Techno Fit		319.25
	Invoice		Date	Description	Amount
		34885	09/20/2016	BUILDING-EQUIPMENT MAINT/REPAIR	319.25
Check	10/05/2016	273672 Accounts Payable	Time Warner Cable		156.26
	Invoice		Date	Description	Amount
		092616	09/26/2016	RADIO & TELECOMMUNICATIONS	145.26
		092516	09/25/2016	RADIO & TELECOMMUNICATIONS	11.00
Check	10/05/2016	273673 Accounts Payable	Treadwell , James		25.00
	Invoice		Date	Description	Amount
		092916	09/29/2016	DEPOSIT REFUND	25.00
Check	10/05/2016	273674 Accounts Payable	Trimming Land Company, Inc		5,292.00
	Invoice		Date	Description	Amount
		3401	09/19/2016	TREE TRIMMING	5,292.00
Check	10/05/2016	273675 Accounts Payable	Uline		108.18
	Invoice		Date	Description	Amount
		80208265	09/14/2016	DEPARTMENTAL SUPPLIES	108.18
Check	10/05/2016	273676 Accounts Payable	Underground Service Alert		207.00

City of Pico Rivera
Pico Rivera AP Checks 10/5/2016

Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/05/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
	820160514		09/01/2016	PROFESSIONAL SERVICE	207.00
Check	10/05/2016	273677 Accounts Payable	Vieyra , Erika		37.20
	Invoice		Date	Description	Amount
	091616		09/16/2016	CONTRACT INSTRUCTOR	37.20
CBC GenOpe CBC General Operating Totals:			Transactions: 45		\$196,785.97
Checks:	45		\$196,785.97		

City of Pico Rivera
Payment Batch Register
 Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/06/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: CBC GenOpe - CBC General Operating					
Check	10/06/2016	273678 Accounts Payable	AFLAC		4,307.65
	Invoice	Date	Description		Amount
	100116	10/06/2016	AFLAC EMPLOYEE DEDUCTION FOR SEPTEMBER 2016		4,307.65
Check	10/06/2016	273679 Accounts Payable	American Heritage Life Insurance Co		279.20
	Invoice	Date	Description		Amount
	100116	10/06/2016	LIFE INSURANCE EMPLOYEE PAID FOR OCTOBER 2016		279.20
Check	10/06/2016	273680 Accounts Payable	CALpers Long-Term Care Program		65.07
	Invoice	Date	Description		Amount
	093016	10/06/2016	PERS LONG TERM CARE P/E 09/30/16		65.07
Check	10/06/2016	273681 Accounts Payable	Child Support Enforcement Division		200.00
	Invoice	Date	Description		Amount
	093016-VH	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		200.00
Check	10/06/2016	273682 Accounts Payable	Dental Health Services		2,005.34
	Invoice	Date	Description		Amount
	100116	10/06/2016	DENTAL HEALTH SERVICES FOR OCTOBER 2016		2,005.34
Check	10/06/2016	273683 Accounts Payable	Franchise Tax Board		678.52
	Invoice	Date	Description		Amount
	093016-CA	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		177.45
	093016-RH	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		300.00
	093016-VH	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		62.61
	093016-SO	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		36.46
	093016-SS	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		102.00
Check	10/06/2016	273684 Accounts Payable	Health Net		610.87
	Invoice	Date	Description		Amount
	100116	10/06/2016	MEDICAL PREMIUM GROUP C FOR OCTOBER 2016		610.87
Check	10/06/2016	273685 Accounts Payable	Metlife Small Business Center		14.86
	Invoice	Date	Description		Amount
	100116	10/06/2016	DENTAL PREMIUM GROUP C EMPLOYEES FOR OCTOBER 2016		14.86

City of Pico Rivera
Payment Batch Register
 Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/06/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	10/06/2016	273686 Accounts Payable	Nufic		282.36
	Invoice	Date	Description		Amount
	100116	10/06/2016	EMPLOYEE PAID AD&D LIFE INSURANCE FOR OCTOBER 2016		282.36
Check	10/06/2016	273687 Accounts Payable	PLIC - SBD GRAND ISLAND		5,822.64
	Invoice	Date	Description		Amount
	100116	10/06/2016	PRINCIPAL FINANCIAL GROUP-DPO FOR OCTOBER 2016		5,822.64
Check	10/06/2016	273688 Accounts Payable	PRMPCEA		624.00
	Invoice	Date	Description		Amount
	093016	10/06/2016	MID-MGMT, PRFNL&CNFDL EMPL ASSOC DUES & FEE PAYER P/E 09/30/16		624.00
Check	10/06/2016	273689 Accounts Payable	SEIU Local 721		1,805.23
	Invoice	Date	Description		Amount
	093016	10/06/2016	UNION DUES DIRECTORS, FT, PT & NON MEM FEE PAYER P/E 09/30/16		1,805.23
Check	10/06/2016	273690 Accounts Payable	SEIU Local 721-COPE		66.00
	Invoice	Date	Description		Amount
	093016	10/06/2016	COPE CONTRIBUTION P/E 09/30/16		66.00
Check	10/06/2016	273691 Accounts Payable	Standard Insurance Comany		8,209.95
	Invoice	Date	Description		Amount
	100116	10/06/2016	LIFE, SHORT-TERM & LONG-TERM DISABILITY PREMIUM FOR OCTOBER 2016		8,209.95
Check	10/06/2016	273692 Accounts Payable	Standard Life Insurance		1,584.29
	Invoice	Date	Description		Amount
	100116	10/06/2016	SUPPLEMENTAL LIFE INSURANCE FOR OCTOBER 2016		1,584.29
Check	10/06/2016	273693 Accounts Payable	State Disbursement Unit		346.62
	Invoice	Date	Description		Amount
	093016-CA	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		60.00
	093016-LM	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		241.00
	093016-SR	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		45.62
Check	10/06/2016	273694 Accounts Payable	U S Treasury		200.00
	Invoice	Date	Description		Amount
	093016-PG	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16		50.00

City of Pico Rivera
Payment Batch Register
 Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/06/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		093016-SS	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16	150.00
Check	10/06/2016	273695 Accounts Payable	Villalobos , Gilberto Gabriel		500.00
		Invoice	Date	Description	Amount
		093016	10/06/2016	EMPLOYEE DEDUCTION P/E 09/30/16	500.00
Check	10/06/2016	273696 Accounts Payable	Western Dental Services, Inc.		803.05
		Invoice	Date	Description	Amount
		100116	10/06/2016	WESTERN DENTAL SERVICES FOR OCTOBER 2016	803.05
CBC GenOpe CBC General Operating Totals:			Transactions: 19		\$28,405.65
Checks:	19	\$28,405.65			

City of Pico Rivera
Pico Rivera AP Check Run 10/13/2016

Bank Account: CBC GenOpe - CBC General Operating
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Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: CBC GenOpe - CBC General Operating					
Check	10/13/2016	273697 Accounts Payable	1st Jon Inc		91.00
	Invoice	Date	Description		Amount
	A-41952	09/06/2016	COMM GARDENS MONTHLY RESTROOM RENTAL FROM 09/06/16-10/03/16		91.00
Check	10/13/2016	273698 Accounts Payable	AAA Electrical Supply, Inc.		3,132.67
	Invoice	Date	Description		Amount
	300548-00	07/05/2016	Departmental Expenses		2,640.00
	301103-00	09/06/2016	LIGHTS FOR ALL FACILITIES		6.91
	301027-00	09/06/2016	LIGHTS FOR PARK FACILITIES		485.76
Check	10/13/2016	273699 Accounts Payable	ABM Building Solutions, LLC		8,504.00
	Invoice	Date	Description		Amount
	9730128	07/18/2016	HVAC MAINTENANCE FOR JULY 2016		8,504.00
Check	10/13/2016	273700 Accounts Payable	Atkinson, Andelson, Loya, Ruud & Romo		28,248.90
	Invoice	Date	Description		Amount
	505163	08/31/2016	PROFESSIONAL SERVICES FOR JULY 2016		28,248.90
Check	10/13/2016	273701 Accounts Payable	Bizchair		259.98
	Invoice	Date	Description		Amount
	INV-3509827	08/25/2016	BLACK LEATHER CHAIR		259.98
Check	10/13/2016	273702 Accounts Payable	Cendejas, Allan J.		114.00
	Invoice	Date	Description		Amount
	11569	09/13/2016	CONTRACT INSTRUCTOR FOR COURSE #11569		114.00
Check	10/13/2016	273703 Accounts Payable	Chevrolet Montebello		92.48
	Invoice	Date	Description		Amount
	29437CVW	09/22/2016	PARTS FOR UNIT #274		92.48
Check	10/13/2016	273704 Accounts Payable	City of Lancaster		5,490.00
	Invoice	Date	Description		Amount
	1160001596	07/11/2016	CCA INFORMATION SERVICES THRU 06/30/16		3,000.00
	1170000609	09/21/2016	CCA INFORMATION SERVICES		2,490.00
Check	10/13/2016	273705 Accounts Payable	Clinical Laboratory of San Bernardino Inc.		1,700.00

City of Pico Rivera
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Bank Account: CBC GenOpe - CBC General Operating
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Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
	951635		08/11/2016	WATER SAMPLE TESTING FOR JULY 2016	1,700.00
Check	10/13/2016	273706 Accounts Payable	Comlock Security Group		81.00
	Invoice		Date	Description	Amount
	71045		08/30/2016	KEYS FOR CITY YARD	81.00
Check	10/13/2016	273707 Accounts Payable	Cosby Oil Company		9,718.61
	Invoice		Date	Description	Amount
	CL68246		08/31/2016	FUEL	3,594.93
	CL68723		09/10/2016	FUEL	2,843.59
	CL69241		09/20/2016	FUEL	3,280.09
Check	10/13/2016	273708 Accounts Payable	County of Los Angeles-County Recorder's Office		75.00
	Invoice		Date	Description	Amount
	100416		09/20/2016	FILING FEE NOTICE OF EXEMPTION CIP #21308	75.00
Check	10/13/2016	273709 Accounts Payable	CPACINC.COM		669.00
	Invoice		Date	Description	Amount
	SI-1280682		09/20/2016	MICROSOFT WINDOWS SERVER	669.00
Check	10/13/2016	273710 Accounts Payable	Creative Signs & Graphics		77.00
	Invoice		Date	Description	Amount
	2005		09/29/2016	9/29/16	77.00
Check	10/13/2016	273711 Accounts Payable	Cypress Lock & Key		397.50
	Invoice		Date	Description	Amount
	19443		08/05/2016	SMITH PARK DEADBOLTS AND KEYS	397.50
Check	10/13/2016	273712 Accounts Payable	Derian/Party Warehouse		187.18
	Invoice		Date	Description	Amount
	091916		09/19/2016	DECORATIONS FOR TEEN CLUB ANNIVERSARY	187.18
Check	10/13/2016	273713 Accounts Payable	Dominguez , Ana Maria		537.76
	Invoice		Date	Description	Amount
	1558		09/14/2016	TOOL STOCK FOR UNIT #259	76.28

City of Pico Rivera
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Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	1559	09/14/2016	SOAP DISPENSERS FOR PARK FACILITIES		278.97
	1569	09/16/2016	PLUMBING SUPPLIES FOR ALL FACILITIES		96.40
	1568	09/19/2016	FAUCET FOR SMITH PARK FACILITY		86.11
Check	10/13/2016	273714 Accounts Payable	Donray Company		4,800.00
	Invoice	Date	Description		Amount
	1105499	04/13/2016	REFUND FOR WASTE MGMT PLAN-8604 WHITTIER BLVD		4,800.00
Check	10/13/2016	273715 Accounts Payable	Dunn-Edwards, Corp.		399.82
	Invoice	Date	Description		Amount
	2085194019	09/01/2016	PAINT FOR CONCESSION STAND AT PICO PARK		316.38
	2085194371	09/08/2016	PAINT FOR CONCESSION STAND AT PICO PARK		83.44
Check	10/13/2016	273716 Accounts Payable	Empire Pipe Cleaning & Equipment Inc.		8,760.00
	Invoice	Date	Description		Amount
	10391	08/15/2016	CLEAN LIFT STATION AT RIO VISTA & SMITH PARKS		1,720.00
	10421	09/12/2016	STORM DRAIN MAINTENANCE ON 09/07/16		3,200.00
	10412	08/26/2016	STORM DRAIN MAINTENANCE ON 08/25/16 & 09/02/16		3,840.00
Check	10/13/2016	273717 Accounts Payable	Fresh Music Library		99.00
	Invoice	Date	Description		Amount
	#YEAR 16-17	09/19/2016	ANNUAL MUSIC LICENSING FOR CTV3		99.00
Check	10/13/2016	273718 Accounts Payable	Frontier California		8,057.50
	Invoice	Date	Description		Amount
	100416	10/04/2016	RADIO & TELECOMMUNICATIONS		7,896.44
	092516	09/25/2016	RADIO & TELECOMMUNICATIONS		161.06
Check	10/13/2016	273719 Accounts Payable	Golden State Overnight		12.34
	Invoice	Date	Description		Amount
	3161899	09/15/2016	OVERNIGHT DELIVERY SERVICE		12.34
Check	10/13/2016	273720 Accounts Payable	Golflinks Consulting		6,000.00
	Invoice	Date	Description		Amount
	#1016	10/11/2016	MANAGEMENT FEE FOR 10/2016		6,000.00
Check	10/13/2016	273721 Accounts Payable	Golflinks Consulting		108,854.55

City of Pico Rivera
Pico Rivera AP Check Run 10/13/2016

Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/13/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
	0916B		10/10/2016	REIMBURSABLE EXPENSES FOR 09/2016	108,854.55
Check	10/13/2016	273722 Accounts Payable	Gonzalez, Victor		840.00
	Invoice		Date	Description	Amount
	11840		09/30/2016	CONTRACT INSTRUCTOR FOR COURSE #11840	840.00
Check	10/13/2016	273723 Accounts Payable	International Code Council, Inc.		3,779.12
	Invoice		Date	Description	Amount
	1000725434		09/19/2016	2016 CA MANUALS	3,779.12
Check	10/13/2016	273724 Accounts Payable	JCL Barricade Company		654.50
	Invoice		Date	Description	Amount
	87584		09/19/2016	STREET SWEEPING SIGNS	654.50
Check	10/13/2016	273725 Accounts Payable	Johnstone Supply		140.56
	Invoice		Date	Description	Amount
	519558		09/22/2016	VENT MOTOR FOR WOMEN'S RESTROOM AT SMITH PARK	140.56
Check	10/13/2016	273726 Accounts Payable	Kathlynn Vasquez		62.21
	Invoice		Date	Description	Amount
	100516		10/05/2016	MILEAGE REIMBURSEMENT FOR NAHRO TRAINING 09/27-09/29/16	62.21
Check	10/13/2016	273727 Accounts Payable	Las Mariposas Folklorico Group		100.00
	Invoice		Date	Description	Amount
	092416		09/24/2016	PERFORMANCE AT SR CTR ON 09/24/16	100.00
Check	10/13/2016	273728 Accounts Payable	Longo Toyota		1,289.22
	Invoice		Date	Description	Amount
	010277KS124		09/08/2016	City vehicle lease payments for 09/2016	214.87
	010277KS121		09/08/2016	City vehicle lease payments for 09/2016	214.87
	010277KS088		09/08/2016	City vehicle lease payments for 09/2016	214.87
	010277KS078		09/08/2016	City vehicle lease payments for 09/2016	214.87
	010277KR965		09/08/2016	City vehicle lease payments for 09/2016	214.87
	010277KR976		09/08/2016	City vehicle lease payments for 09/2016	214.87
Check	10/13/2016	273729 Accounts Payable	Lowe's		856.48

City of Pico Rivera
Pico Rivera AP Check Run 10/13/2016

Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/13/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
	919693		08/03/2016	BUILDING MAINTENANCE SUPPLIES	477.60
	902461		08/10/2016	BUILDING MAINTENANCE SUPPLIES	152.02
	920352		08/24/2016	BUILDING MAINTENANCE SUPPLIES	34.44
	902790		08/26/2016	BUILDING MAINTENANCE SUPPLIES	63.36
	902371		08/31/2016	BUILDING MAINTENANCE SUPPLIES	55.63
	902367		08/31/2016	BUILDING MAINTENANCE SUPPLIES	73.43
Check	10/13/2016	273730 Accounts Payable		Major League Softball, Inc.	1,152.00
	Invoice		Date	Description	Amount
	1022-16		09/03/2016	UMPIRE AND ASSIGNING FEES 2016	1,152.00
Check	10/13/2016	273731 Accounts Payable		Maynor , Donald M.	1,250.00
	Invoice		Date	Description	Amount
	DHM7507		09/21/2016	UUT LEGAL SERVICES JULY-SEPT 2016	1,250.00
Check	10/13/2016	273732 Accounts Payable		Miramontes Construction Company	18,000.00
	Invoice		Date	Description	Amount
	4323		09/16/2016	ENGINE REMOVAL FOR WATER DIVISION	18,000.00
Check	10/13/2016	273733 Accounts Payable		Muni Services Company	2,888.05
	Invoice		Date	Description	Amount
	43104		09/21/2016	FIXED FEE FOR UUT SERVICES JULY-SEPT 2016	2,888.05
Check	10/13/2016	273734 Accounts Payable		Ntivia, Inc	2,288.59
	Invoice		Date	Description	Amount
	104894		08/31/2016	IT SUPPLIES	2,288.59
Check	10/13/2016	273735 Accounts Payable		Oromill Lumber, Inc.	421.90
	Invoice		Date	Description	Amount
	198224		08/02/2016	MAINTENANCE SUPPLIES FOR ALL PARKS	189.58
	198223		08/02/2016	REPLACEMENT TOOLS FOR UNIT #259	59.13
	199300		09/27/2016	MAINTENANCE SUPPLIES FOR ALL PARKS	173.19
Check	10/13/2016	273736 Accounts Payable		Ortega , Anita	364.80
	Invoice		Date	Description	Amount

City of Pico Rivera
Pico Rivera AP Check Run 10/13/2016

Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/13/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		11618/11620	09/22/2016	CONTRACT INSTRUCTOR FOR COURSES #11618 & #11620	364.80
Check	10/13/2016	273737 Accounts Payable	Pico Water District		14,057.00
		Invoice	Date	Description	Amount
		100116	10/01/2016	UTILITIES	32.26
		100116A	10/01/2016	UTILITIES	2,766.00
		100116B	10/01/2016	UTILITIES	11,258.74
Check	10/13/2016	273738 Accounts Payable	Postmaster-Whittier Post Office		5,833.34
		Invoice	Date	Description	Amount
		090116	09/01/2016	POSTAGE	5,833.34
Check	10/13/2016	273739 Accounts Payable	Rosemead Electrical Wholesale		511.21
		Invoice	Date	Description	Amount
		35800	09/22/2016	ELECTRICAL SUPPLIES FOR SMITH PARK	511.21
Check	10/13/2016	273740 Accounts Payable	San Gabriel Valley Water Co		487.59
		Invoice	Date	Description	Amount
		100416	10/04/2016	UTILITIES	487.59
Check	10/13/2016	273741 Accounts Payable	Security Signal Devices, Inc. (SSD)		9,092.38
		Invoice	Date	Description	Amount
		1200305	07/13/2016	WATER PLANT SECURITY SVC AUG-OCT 2016	4,084.08
		1200518	07/13/2016	SECURITY SERVICE	1,050.00
		1200523	07/13/2016	AL NATIVIDAD CTR SECURITY SVC FOR AUGUST 2016	150.00
		1206112	08/12/2016	PARK FACILITIES SECURITY SVC FOR SEPT 2016	1,050.00
		419648	08/12/2016	WATER PLANT #1 SECURITY SYSTEM REPAIRS	193.30
		1206118	08/12/2016	AL NATIVIDAD CTR SECURITY SVC FOR SEPT 2016	150.00
		1214223	09/13/2016	SECURITY SVCS FOR ALL PARK SITES FOR OCT 2016	1,050.00
		1214201	09/13/2016	SECURITY SVC FOR 9732 LUNDAHL DR FROM 10/01/16-12/31/16	90.00
		1214252	09/13/2016	AL NATIVIDAD SECURITY SVC FOR OCT 2016	150.00
		1214171	09/13/2016	CITY YARD SECURITY FROM 10/01/16-12/31/16	1,125.00
Check	10/13/2016	273742 Accounts Payable	Shoeteria		895.91
		Invoice	Date	Description	Amount
		104134	08/17/2016	SAFETY SHOES FOR J.NUNEZ	150.00

City of Pico Rivera
Pico Rivera AP Check Run 10/13/2016

Bank Account: CBC GenOpe - CBC General Operating

Batch Date: 10/13/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	104133	08/28/2016	SAFETY SHOES FOR B.VEGA		150.00
	104402	09/06/2016	SAFETY SHOES FOR M.CUELLAR		150.00
	104403	09/06/2016	SAFETY SHOES FOR B.PANGANIBAN		147.14
	104407	09/08/2016	SAFETY SHOES FOR T.GUTIERREZ		148.77
	104409	09/11/2016	SAFETY SHOES FOR F.MORENO		150.00
Check	10/13/2016	273743 Accounts Payable	Smart & Final Company		184.06
	Invoice	Date	Description		Amount
	171605	10/10/2016	DEPARTMENTAL SUPPLIES		26.91
	118036	10/05/2016	DEPARTMENTAL SUPPLIES		92.00
	194079	09/06/2016	DEPARTMENTAL SUPPLIES		65.15
Check	10/13/2016	273744 Accounts Payable	St. Marinana De Paredes Church		300.00
	Invoice	Date	Description		Amount
	1133050	08/15/2016	DEPOSIT REFUND TUP #16-23 -7922/7930 PASSONS BLVD		300.00
Check	10/13/2016	273745 Accounts Payable	Superior Court of CA, County of LA		14,224.50
	Invoice	Date	Description		Amount
	08/2016	09/09/2016	SURCHARGE FOR PARKING VIOLATIONS FOR 08/2016		14,224.50
Check	10/13/2016	273746 Accounts Payable	The Compliance Guys, LLC		200.00
	Invoice	Date	Description		Amount
	9759-J	09/20/2016	UNDERGROUND FUEL TANK INSPECTION FOR 09/2016		200.00
Check	10/13/2016	273747 Accounts Payable	Time Warner Cable		226.76
	Invoice	Date	Description		Amount
	100416	10/04/2016	RADIO & TELECOMMUNICATIONS		1.09
	100116	10/01/2016	RADIO & TELECOMMUNICATIONS		126.26
	100416A	10/04/2016	RADIO & TELECOMMUNICATIONS		99.41
Check	10/13/2016	273748 Accounts Payable	Triangle Sports, Inc.		699.78
	Invoice	Date	Description		Amount
	33382	09/01/2016	GO GETTERS LEAGUE SHIRTS		699.78
Check	10/13/2016	273749 Accounts Payable	Tyler Technologies, Inc.		122,120.20
	Invoice	Date	Description		Amount
	030-4602	09/12/2016	COMPLETION OF SOW STEP 8-GO LIVE OF FM BASE		120,000.00

City of Pico Rivera
Pico Rivera AP Check Run 10/13/2016

Bank Account: CBC GenOpe - CBC General Operating
 Batch Date: 10/13/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	030-4680		09/15/2016	TRAVEL EXPENSES FOR SERVICES IN 09/2016	273.87
	030-4801		09/23/2016	TRAVEL EXPENSES FOR SERVICES IN 09/2016	1,846.33
Check	10/13/2016	273750 Accounts Payable	Velasquez , David		120.00
	Invoice		Date	Description	Amount
	11599		09/26/2016	CONTRACT INSTRUCTOR FOR COURSE #11599	24.00
	11602		09/26/2016	CONTRACT INSTRUCTOR FOR COURSE #11602	27.00
	11605		09/26/2016	CONTRACT INSTRUCTOR FOR COURSE #11605	51.00
	11608		09/26/2016	CONTRACT INSTRUCTOR FOR COURSE #11608	18.00
Check	10/13/2016	273751 Accounts Payable	Water Replenishment District of So. California		308.00
	Invoice		Date	Description	Amount
	1138656		09/13/2016	DEPOSIT REFUND FOR TUP#16-27-4320 SAN GABRIEL RIVER PKWY	308.00
Check	10/13/2016	273752 Accounts Payable	Willdan Associates		382.65
	Invoice		Date	Description	Amount
	00322426		09/09/2016	SRTS CYCLE 3 AWARD SERVICES THROUGH 08/26/16	382.65
Check	10/13/2016	273753 Accounts Payable	GOLDSTEIN , SHAUNA P.		10.00
	Invoice		Date	Description	Amount
	1087165.002		09/26/2016	REFUND OF PROCESSING FEE	10.00
CBC GenOpe CBC General Operating Totals:			Transactions: 57		\$400,100.10
Checks:	57	\$400,100.10			



To: Mayor and City Council
From: City Manager
Meeting Date: October 25, 2016
Subject: DURFEE AVENUE GRADE SEPARATION PROJECT – RESOLUTION DETERMINING THAT THE PROVISIONS OF GOVERNMENT CODE SECTION 65402 ARE INAPPLICABLE TO THE MINOR STREET WIDENING FOR THE PROJECT AND AUTHORIZING THE EXECUTION OF DOCUMENTS AND PAYMENTS REQUIRED FOR THE ACQUISITION AND DISPOSITION OF REAL PROPERTY AND EASEMENTS FOR STREET WIDENING PURPOSES

Recommendations:

- 1) Approve a resolution determining that the provisions of Government Code Section 65402 are inapplicable to the acquisition and disposition of real property and easements required for minor street widening related to the construction of the Durfee Avenue Grade Separation Project; and
- 2) Authorize the City Manager to execute documents and issue payments for said acquisitions and dispositions of real property and easements related to minor street widening required for the completion of the Durfee Avenue Grade Separation Project.

Fiscal Impact:

Funding covering the cost of the project has been secured by the Alameda Corridor-East Construction Authority (ACE) in an approximate amount of \$78,000,000, including the consultant cost for the preparation of the necessary documents related to the real property acquisitions and easements. The recommended actions do not have a fiscal impact on the City. All project funding will be received and managed by ACE.

Discussion:

The Durfee Avenue Grade Separation Project is the construction of a railroad underpass for Durfee Avenue under the Union Pacific Railroad (UPRR) tracks between Whittier Boulevard and Beverly Road. The project is part of the Alameda Corridor-East and is managed by its Construction Authority (ACE). The project design phase is nearly 100% complete and ACE is in the process of acquiring the right-of-way and easements necessary for construction. Although the start of construction is dependent on property acquisitions, ACE anticipates the start of construction in late 2017. Construction is scheduled to be completed in 30 months with an anticipated completion in 2020.

COUNCIL AGENDA REPORT – MTG. OF 10/25/16
DURFEE AVENUE GRADE SEPARATION PROJECT
Page 2 of 2

Over the past two years ACE has developed the design of the project in a manner that minimizes the amount of right-of-way acquisition needed for construction. They have coordinated with City staff and affected property owners throughout the process. A variety of acquisitions have been identified that vary from minor permanent easements (road, slope, and utility) and temporary construction easements to permanent partial and full property acquisitions as shown in the Right-of-Way Overview Exhibit (Enclosure 2). As a general rule, properties that could not be provided access to the lowered street elevation within the underpass resulted in full acquisition while access to other properties was possible with partial acquisitions and acquisitions of adjoining properties.

The property acquisitions are being undertaken entirely by ACE who will also oversee the disposition of excess property once the project is completed. Redevelopment of any excess property will be required to meet all City planning and zoning requirements and the entitlement process will be determined for each individual property at the time a change in use is proposed. The recommended resolution does not apply to the full or substantial real property acquisitions, shown in red hatching in Enclosure 2, since the City is not a party to these transactions.

The City will, however, be required to execute acquisition documents for any property or portions of property that will become public right-of-way or easements for the public roads, slopes, and related public utility relocations. Government Code Section 65402 generally provides that, when real property is to be acquired or disposed by the City, the City's Planning Commission must render a report to the City Council as to the conformity of such acquisition or disposition with the City's General Plan. Section 65402 also provides that, by resolution, the City Council may determine that the section's requirements shall not apply to (1) the disposition of the remainder of a larger parcel which was acquired and used in part for street purposes; (2) acquisitions, dispositions, or abandonments for street widening; or (3) alignment projects, provide such dispositions for street purposes, acquisitions, dispositions, or abandonments for street widening, or alignment projects that are of a minor nature.

Approval of the recommended resolution will avoid any delays and expedite the acquisition process in order to prevent delays to the construction schedule by determining that Government Code Section 65402 does not apply to the acquisitions and dispositions required for the minor street widening part of the project and authorize the City Manager, or his designee, to execute any documents related to these minor acquisitions, in coordination with ACE.

Additionally, the vacation of public right-of-way and creation of a new cul-de-sac street in the northeast quadrant of the project, in the vicinity of the intersection of Durfee Avenue and Walnut Avenue, will require City Council action at a later date.



René Bobadilla

RB:JE:MPC:lg

- Enc. 1) Resolution
2) Right-of-Way Overview Exhibit
3) CA Code References

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, DETERMINING THAT THE PROVISIONS OF GOVERNMENT CODE SECTION 65402 ARE INAPPLICABLE TO THE MINOR STREET WIDENING FOR THE DURFEE AVENUE GRADE SEPARATION PROJECT AND AUTHORIZING THE EXECUTION OF DOCUMENTS AND PAYMENTS REQUIRED FOR THE ACQUISITION AND DISPOSITION OF REAL PROPERTY AND EASEMENTS FOR STREET WIDENING PURPOSES

WHEREAS, the City of Pico Rivera and the Alameda Corridor-East (ACE) Construction Authority entered into Agreement No. 00-772 on November 6, 2000 to implement a safety project at the Union Pacific Railroad (UPRR) crossing at Durfee Avenue; and

WHEREAS, Amendment No. 1 to the Agreement was executed in November 2012 to specify the terms and conditions for the delivery of the Durfee Avenue Grade Separation Project with ACE as the lead agency; and

WHEREAS, Amendment No. 1 established ACE's role in financing the project as well as providing project management and oversight of the engineering, right-of-way acquisition, and construction of the Durfee Avenue Grade Separation Project; and

WHEREAS, the Durfee Avenue Grade Separation Project will require a variety of acquisitions that vary from minor permanent easements (road, slope, and utility) and temporary construction easements to permanent partial and full property acquisitions; and

WHEREAS, the property acquisitions are being undertaken by ACE who will also oversee the disposition of excess property once the project is completed; and

WHEREAS, the City will need to acquire and dispose of real property and easements for minor street widening related to the Project;

WHEREAS, the City will need to execute acquisition documents for any property or portions of property that will become public right-of-way or easements for the public roads, slopes, and related public utility relocations; and

WHEREAS, the City will need to approve acceptance of easements, acquire certain real property (including but not limited to rights of entry, easements, and temporary construction easements), execute administrative settlements, complete escrow documents and conduct other necessary activities for the minor acquisitions; and

WHEREAS, the City of Pico Rivera may need to lease, grant, sell, or otherwise dispose of real property, in fee or by easement, and will need to execute all applicable

agreements, certifications, documents, escrow instructions and such other documents as may be necessary to complete the minor street widening required for the completion of the Durfee Avenue Grade Separation Project; and

WHEREAS, Government Code Section 65402 generally provides that, when real property is to be acquired or disposed of by the City, the City's Planning Commission must render a report to the City Council as to the conformity of such acquisition or disposition with the City's General Plan; and

WHEREAS, Section 65402 provides that by resolution the City Council may determine that the section's requirements shall not apply to: (1) the disposition of the remainder of a larger parcel which was acquired and used in part for street purposes; (2) acquisitions, dispositions, or abandonments for street widening; or (3) alignment projects, provided such dispositions for street purposes, acquisitions, dispositions, or abandonments for street widening, or alignment projects are of a minor nature.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pico Rivera as follows:

SECTION 1: The City Council of the City of Pico Rivera hereby determines that the requirements of Government Code section 65402 shall not apply to the acquisition and disposition of real property and easements required for the minor street widening and realignment for the Durfee Avenue Grade Separation Project, and that such acquisition and disposition of real property and easements required for the Project are of a minor nature.

SECTION 2: The City of Pico Rivera hereby authorizes the City Manager, and in his/her absence the Assistant City Manager, City Attorney, or their designee(s) to execute in the name of the City of Pico Rivera any documents necessary for acquisition and/or disposition of real property and easements required for the minor street widening and realignment in connection with the Durfee Avenue Grade Separation Project; and

SECTION 3: The City of Pico Rivera hereby authorizes the City Manager, and in his/her absence the Director of Finance or their designee(s) to issue and accept payment as necessary for said acquisitions and/or dispositions of real property and easements, in connection with the Durfee Avenue Grade Separation Project; and

SECTION 4: That the City Clerk shall certify to the adoption and passage of this resolution and it shall thereupon take effect and be in force.

RESOLUTION NO. _____

Page 3 of 3

APPROVED AND PASSED this _____ day of _____, 2016.

David W. Armenta, Mayor

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

AYES:

NOES:

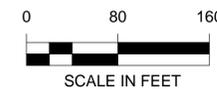
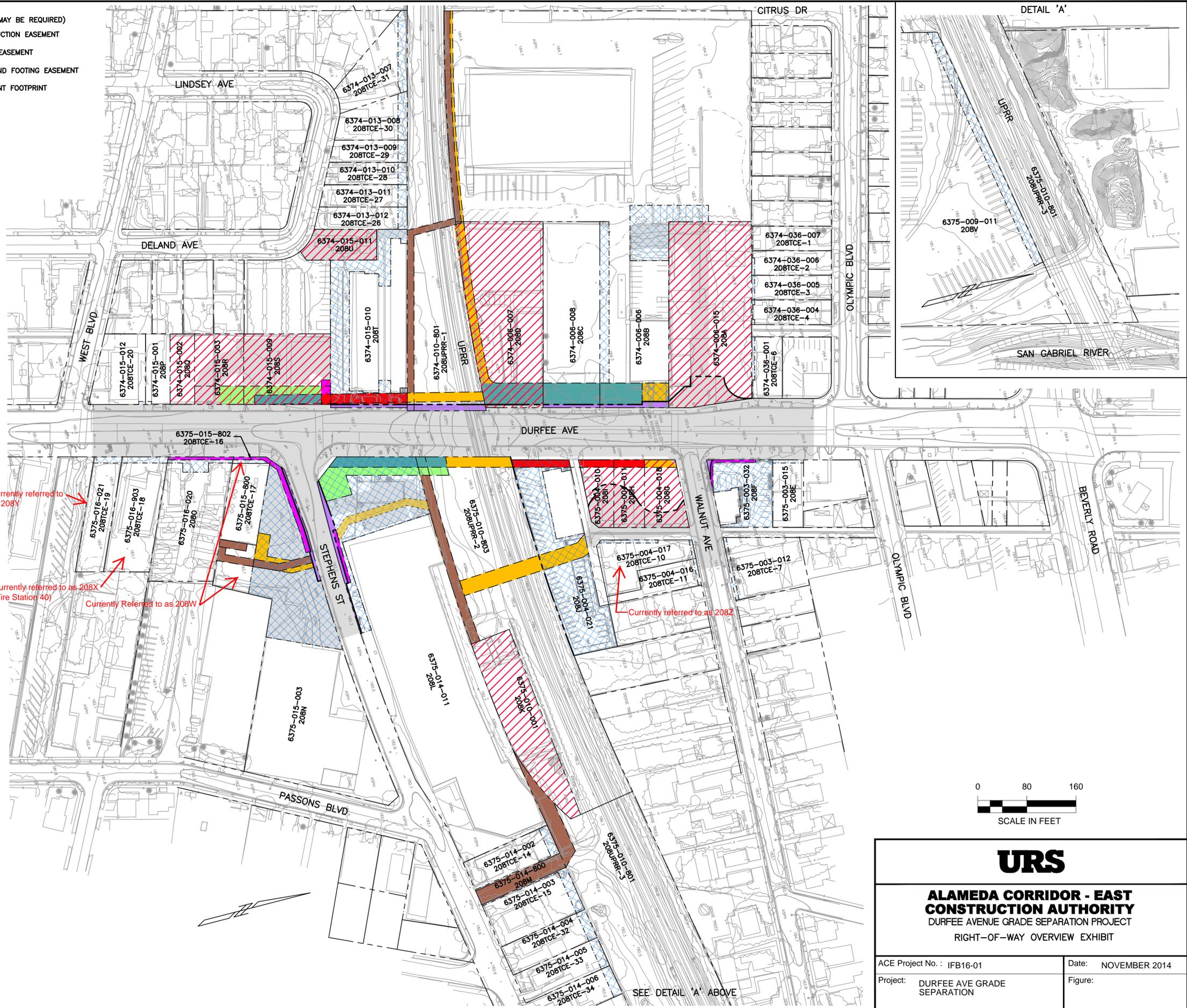
ABSENT:

ABSTAIN:

- PROPOSED FULL PROPERTY ACQUISITION
- PROPOSED PARTIAL PROPERTY ACQUISITION OR CROSSING (UPRR)
- PROPOSED UTILITY/ACCESS EASEMENT OR CROSSING (UPRR)
- PROPOSED UTILITY/SLOPE EASEMENT
- PROPOSED SLOPE EASEMENT
- EXISTING EASEMENT (ADDITIONAL RIGHTS MAY BE REQUIRED)
- TEMPORARY CONSTRUCTION EASEMENT
- PROPOSED FOOTING EASEMENT
- PROPOSED UTILITY AND FOOTING EASEMENT
- PROJECT IMPROVEMENT FOOTPRINT

PARCEL ID	APN	ACQUISITION TYPE
208A	6374-006-015	FULL ACQUISITION
208B	6374-006-006	Partial Acquisition Utility and Slope Easements Temporary Construction Easement
208C	6374-006-008	Partial Acquisition Utility and Slope Easements Temporary Construction Easement
208D	6374-006-007	FULL ACQUISITION
208E	6375-003-015	Temporary Construction Easement
208F	6375-003-032	Partial Acquisition Footing Easement Temporary Construction Easement
208G	6375-004-018	FULL ACQUISITION
208H	6375-004-011	FULL ACQUISITION
208I	6375-004-010	FULL ACQUISITION
208J	6375-004-021	Utility and Footing Easements Temporary Construction Easement
208K	6375-010-001	FULL ACQUISITION
208L	6375-014-011	Partial Acquisition Utility, Footing and Slope Easements Temporary Construction Easement
208M	6375-014-800	Maintenance Easement Temporary Construction License Utility License Access Easement
208N	6375-015-003	Partial Acquisition Utility and Wall Footing Easements Temporary Construction Easement
208O	6375-016-020	Footing Easement Temporary Construction Easement
208P	6374-015-001	Temporary Construction Easement
208Q	6374-015-002	FULL ACQUISITION
208R	6374-015-003	FULL ACQUISITION
208S	6374-015-009	FULL ACQUISITION
208T	6374-015-010	Partial Acquisition Util & Footing Easements Temporary Construction Easement
208U	6374-015-011	FULL ACQUISITION
208V	6375-009-011	Wall Easement Temporary Construction Easement
208TCE1	6374-036-007	Temporary Construction Easement
208TCE2	6374-036-006	Temporary Construction Easement
208TCE3	6374-036-005	Temporary Construction Easement
208TCE4	6374-036-004	Temporary Construction Easement
208TCE6	6374-036-001	Temporary Construction Easement
208TCE7	6375-003-012	Temporary Construction Easement
208TCE10	6375-004-017	Temporary Construction Easement
208TCE11	6375-004-016	Temporary Construction Easement
208TCE14	6375-014-002	Temporary Construction Easement
208TCE15	6375-014-003	Temporary Construction Easement
208TCE16	6375-015-802	Temporary Construction Easement
208TCE17	6375-015-800	Temporary Construction Easement
208TCE18	6375-016-903	Temporary Construction Easement
208TCE19	6375-016-021	Temporary Construction Easement
208TCE20	6374-015-012	Temporary Construction Easement
208TCE26	6374-013-012	Temporary Construction Easement
208TCE27	6374-013-011	Temporary Construction Easement
208TCE28	6374-013-010	Temporary Construction Easement
208TCE29	6374-013-009	Temporary Construction Easement
208TCE30	6374-013-008	Temporary Construction Easement
208TCE31	6374-013-007	Temporary Construction Easement
208TCE32	6375-014-004	Temporary Construction Easement
208TCE33	6375-014-005	Temporary Construction Easement
208TCE34	6375-014-006	Temporary Construction Easement
208UPRR-1	6374-010-801	Maintenance and Roadway Easement Temporary Construction License Utility License
208UPRR-2	6375-010-803	Maintenance and Access Easement Temporary Construction License Utility License
208UPRR-3	6375-010-801	Maintenance Easement Temporary Construction License Utility License

NOTE: AREA OF ACQUISITIONS TO BE DETERMINED



**ALAMEDA CORRIDOR - EAST
CONSTRUCTION AUTHORITY**
DURFEE AVENUE GRADE SEPARATION PROJECT
RIGHT-OF-WAY OVERVIEW EXHIBIT

ACE Project No. : IFB16-01	Date: NOVEMBER 2014
Project: DURFEE AVE GRADE SEPARATION	Figure:

GOVERNMENT CODE

SECTION 65400-65404

65400. (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) The progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of forms and definitions adopted by the Department of Housing and Community Development pursuant to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2). Prior to and after adoption of the forms, the housing element portion of the annual report shall include a section that describes the actions taken by the local government towards completion of the programs and status of the local government's compliance with the deadlines in its housing element. That report shall be considered at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments.

The report may include the number of units that have been substantially rehabilitated, converted from nonaffordable to affordable by acquisition, and preserved consistent with the standards set forth in paragraph (2) of subdivision (c) of Section 65583.1. The report shall document how the units meet the standards set forth in that subdivision.

(C) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

(b) If a court finds, upon a motion to that effect, that a city, county, or city and county failed to submit, within 60 days of the deadline established in this section, the housing element portion of the report required pursuant to subparagraph (B) of paragraph (2) of subdivision (a) that substantially complies with the requirements of this section, the court shall issue an order or judgment compelling compliance with this section within 60 days. If the city, county, or city and county fails to comply with the court's order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. The court

shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled. This subdivision applies to proceedings initiated on or after the first day of October following the adoption of forms and definitions by the Department of Housing and Community Development pursuant to paragraph (2) of subdivision (a), but no sooner than six months following that adoption.

65401. If a general plan or part thereof has been adopted, within such time as may be fixed by the legislative body, each county or city officer, department, board, or commission, and each governmental body, commission, or board, including the governing body of any special district or school district, whose jurisdiction lies wholly or partially within the county or city, whose functions include recommending, preparing plans for, or constructing, major public works, shall submit to the official agency, as designated by the respective county board of supervisors or city council, a list of the proposed public works recommended for planning, initiation or construction during the ensuing fiscal year. The official agency receiving the list of proposed public works shall list and classify all such recommendations and shall prepare a coordinated program of proposed public works for the ensuing fiscal year. Such coordinated program shall be submitted to the county or city planning agency for review and report to said official agency as to conformity with the adopted general plan or part thereof.

65402. (a) If a general plan or part thereof has been adopted, no real property shall be acquired by dedication or otherwise for street, square, park or other public purposes, and no real property shall be disposed of, no street shall be vacated or abandoned, and no public building or structure shall be constructed or authorized, if the adopted general plan or part thereof applies thereto, until the location, purpose and extent of such acquisition or disposition, such street vacation or abandonment, or such public building or structure have been submitted to and reported upon by the planning agency as to conformity with said adopted general plan or part thereof. The planning agency shall render its report as to conformity with said adopted general plan or part thereof within forty (40) days after the matter was submitted to it, or such longer period of time as may be designated by the legislative body.

If the legislative body so provides, by ordinance or resolution, the provisions of this subdivision shall not apply to: (1) the disposition of the remainder of a larger parcel which was acquired and used in part for street purposes; (2) acquisitions, dispositions, or abandonments for street widening; or (3) alignment projects, provided such dispositions for street purposes, acquisitions, dispositions, or abandonments for street widening, or alignment projects are of a minor nature.

(b) A county shall not acquire real property for any of the purposes specified in paragraph (a), nor dispose of any real property, nor construct or authorize a public building or structure,

in another county or within the corporate limits of a city, if such city or other county has adopted a general plan or part thereof and such general plan or part thereof is applicable thereto, and a city shall not acquire real property for any of the purposes specified in paragraph (a), nor dispose of any real property, nor construct or authorize a public building or structure, in another city or in unincorporated territory, if such other city or the county in which such unincorporated territory is situated has adopted a general plan or part thereof and such general plan or part thereof is applicable thereto, until the location, purpose and extent of such acquisition, disposition, or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction, as to conformity with said adopted general plan or part thereof. Failure of the planning agency to report within forty (40) days after the matter has been submitted to it shall be conclusively deemed a finding that the proposed acquisition, disposition, or public building or structure is in conformity with said adopted general plan or part thereof. The provisions of this paragraph (b) shall not apply to acquisition or abandonment for street widening or alignment projects of a minor nature if the legislative body having the real property within its boundaries so provides by ordinance or resolution.

(c) A local agency shall not acquire real property for any of the purposes specified in paragraph (a) nor dispose of any real property, nor construct or authorize a public building or structure, in any county or city, if such county or city has adopted a general plan or part thereof and such general plan or part thereof is applicable thereto, until the location, purpose and extent of such acquisition, disposition, or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction, as to conformity with said adopted general plan or part thereof. Failure of the planning agency to report within forty (40) days after the matter has been submitted to it shall be conclusively deemed a finding that the proposed acquisition, disposition, or public building or structure is in conformity with said adopted general plan or part thereof. If the planning agency disapproves the location, purpose or extent of such acquisition, disposition, or the public building or structure, the disapproval may be overruled by the local agency.

Local agency as used in this paragraph (c) means an agency of the state for the local performance of governmental or proprietary functions within limited boundaries. Local agency does not include the state, or county, or a city.

65403. (a) Each special district, each unified, elementary, and high school district, and each agency created by a joint powers agreement pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 that constructs or maintains public facilities essential to the growth and maintenance of an urban population may prepare a five-year capital improvement program. This section shall not preclude, limit, or govern any other method of capital improvement planning and shall not apply to any district or agency unless it specifically determines to implement this section. As used in this section, "public facilities" means any of the following:

- (1) Public buildings, including schools and related facilities.
 - (2) Facilities for the storage, treatment, and distribution of nonagricultural water.
 - (3) Facilities for the collection, treatment, reclamation, and disposal of sewage.
 - (4) Facilities for the collection and disposal of storm waters and for flood control purposes.
 - (5) Facilities for the generation of electricity and the distribution of gas and electricity.
 - (6) Transportation and transit facilities, including, but not limited to, streets, roads, harbors, ports, airports, and related facilities.
 - (7) Parks and recreation facilities. However, this section shall not apply to a special district which constructs or maintains parks and recreation facilities if the annual operating budget of the district does not exceed one hundred thousand dollars (\$100,000).
- (b) The five-year capital improvement program shall indicate the location, size, time of availability, means of financing, including a schedule for the repayment of bonded indebtedness, and estimates of operation costs for all proposed and related capital improvements. The five-year capital improvement program shall also indicate a schedule for maintenance and rehabilitation and an estimate of useful life of all existing and proposed capital improvements.
- (c) The capital improvement program shall be adopted by, and shall be annually reviewed and revised by, resolution of the governing body of the district or local agency. Annual revisions shall include an extension of the program for an additional year to update the five-year program. At least 60 days prior to its adoption or annual revision, as the case may be, the capital improvement program shall be referred to the planning agency of each affected city and county within which the district or agency operates, for review as to its consistency with the applicable general plan, any applicable specific plans, and all elements and parts of the plan. Failure of the planning agency to report its findings within 40 days after receipt of a capital improvement program or revision of the program shall be conclusively deemed to constitute a finding that the capital improvement program is consistent with the general plan.
- A district or local agency shall not carry out its capital improvement program or any part of the program if the planning agency finds that the capital improvement program or a part of the capital improvement program is not consistent with the applicable general plan, any specific plans, and all elements and parts of the plan. A district or local agency may overrule the finding and carry out its capital improvement program.
- (d) Before adopting its capital improvement program, or annual revisions of the program, the governing body of each special district, each unified, elementary, and high school district, and each agency created by a joint powers agreement shall hold at least one public hearing. Notice of the time and place of the hearing shall be given pursuant to Section 65090. In addition, mailed notice shall be given to any city or county which may be significantly affected by the capital improvement program.

65404. (a) On or before January 1, 2005, the Governor shall develop processes to do all of the following:

(1) Resolve conflicting requirements of two or more state agencies for a local plan, permit, or development project.

(2) Resolve conflicts between state functional plans.

(3) Resolve conflicts between state infrastructure projects.

(4) Provide, to the extent permitted under federal law, for the availability of mediation between a branch of the United States Armed Forces, a local agency, and a project applicant, in circumstances where a conflict arises between a proposed land use within special use airspace beneath low-level flight paths, or within 1,000 feet of a military installation.

(b) The process may be requested by a local agency, project applicant, or one or more state agencies. The mediation process identified in paragraph (4) of subdivision (a) may also be requested by a branch of the United States Armed Forces.



To: Mayor and City Council

From: City Manager

Meeting Date: October 25, 2016

Subject: REIMBURSEMENT AGREEMENT WITH EL RANCHO UNIFIED SCHOOL DISTRICT (SCHOOL RESOURCE DEPUTY)

Recommendation:

Approve an amendment to an agreement with El Rancho Unified School District (ERUSD) for cost sharing of a School Resource Deputy. The amended agreement contains terms under which the City will reimburse ERUSD for half of the cost of providing a School Resource Deputy for the period of September 1, 2016 through June 30, 2017.

Fiscal Impact:

The cost for providing a School Resource Deputy from September 1, 2016 through June 30, 2017 is \$142,755. The Los Angeles County Sheriff's Department (LASD) will invoice the school district for the total cost of \$142,755. The City will then reimburse the ERUSD \$71,378 for its share per the agreement (Enclosure 1). Per the agreement, ERUSD will submit copies of all billing statements from LASD to the City of Pico Rivera. The City will then pay ERUSD one-half of the total cost listed in the statements within thirty days of receiving the statements, with the total cost to the City not exceeding \$71,378. Funds have been budgeted for this expense in the Fiscal Year 2016-17 budget (Account No. 100-15-1500.54500, Contracted Services).

Discussion:

For several years, the City has shared the cost of a School Resource Deputy with ERUSD. The position is filled by a Deputy Sheriff, hired for a 12-month term, under the City's contract with LASD. Since the school district does not have a need for the deputy for two months during the summer, LASD assigns the deputy to special City projects. The school district has historically agreed to pay half of the cost for a 10-month period.

During the school year, the School Resource Deputy issues truancy and various misdemeanor citations, including vandalism, and makes arrests. The School Resource Deputy works closely with the Sheriff's Vandalism Enforcement Team (VET) to identify students involved in tagging and other acts of vandalism. In addition, the assigned Deputy is subject to emergency responses in the community. The duties of the School Resource Officer will include those listed in Attachment "A" to Supplemental Agreement No. 11-1244-5. The school district has long been a willing partner in this endeavor.

COUNCIL AGENDA MEMO – MTG. OF OCTOBER 25, 2016
REIMBURSEMENT AGREEMENT WITH EL RANCHO UNIFIED SCHOOL DISTRICT
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The total cost for the deputy for the 10-month period is \$142,755. The agreement calls for the City to reimburse the school district \$71,378 as its prorated share of this cost. This is reflected in the City's Law Enforcement budget for Fiscal Year 2016-2017.



René Bobadilla

RB:BM:SG:em

Enclosure: 1) Supplemental Agreement No. 11-1244-5

SUPPLEMENTAL AGREEMENT NO. 11-1244-5**AMENDMENT TO AGREEMENT NO. 11-1244**

THIS SUPPLEMENTAL AGREEMENT is entered into this _____ day of _____, 2016, by and between the CITY OF PICO RIVERA, a municipal corporation (hereinafter referred to as the "City") and EL RANCHO UNIFIED SCHOOL DISTRICT, (hereinafter referred to as "District"), and is expressly agreed to be an amendment to Agreement No. 11-1244, entered between the CITY and DISTRICT on August 23, 2011. Agreement No. 11-1244 is included by reference herein and in consideration of the mutual benefits, promises and agreements set forth herein, is modified, altered and changed in the following respects only:

1. Section F of Agreement 11-1244 is hereby amended and replaced in its entirety as follows:

F. City is willing to request special law enforcement services for the District, **as noted in Attachment "A"**, provided that District partially reimburses City for the increased cost in the manner hereinafter set forth. Therefore, the parties agree as follows:

1. City agrees that the total cost incurred by District for special event law enforcement services provided by the Los Angeles County Sheriff's Department for a **School Resource Officer** pursuant to this agreement, for the period of September 1, 2016 to June 30, 2017, shall not exceed \$142,755.
2. The Los Angeles County Sheriff's Department shall invoice the District for a **School Resource Officer** pursuant to this agreement, for the period of September 1, 2016 to June 30, 2017, in an amount not to exceed \$142,755.
3. City shall reimburse District for one-half of the total cost incurred by District, not to exceed \$71,378, for special event law enforcement services provided by the Los Angeles County Sheriff's Department for a **School Resource Officer** pursuant to this agreement for the period of September 1, 2016 to June 30, 2017.
4. District shall submit to City copies of all bills or statements from the Los Angeles County Sheriff's Department for special law enforcement services provided pursuant to this agreement. City shall pay District said one-half of the total costs stated in said bills or statements for said services within thirty (30) days after the bills or statements are mailed by City to District. Total costs not to exceed \$71,378. The term of this agreement shall commence on September 1, 2016 and shall terminate on June 30, 2017.

2. Except as herein amended, all of the terms and conditions of Agreement No. 11-1244 shall remain unchanged.

3. This Supplemental Agreement shall take effect on September 1, 2016.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Supplemental Agreement on the date and year first above written.

City of Pico Rivera

El Rancho Unified School District

David Armenta, Mayor

Martin Galindo, Superintendent

Date: _____

Date: _____

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

Date: _____

Date: _____

Attachment 'A'

El Rancho Unified School District – School Resource Officer Services

- Patrol all El Rancho Unified School District facilities (high schools, middle schools, elementary schools, and all district business offices) for safety and upon request.
- Act as a liaison between station personnel, and district personnel to better facilitate investigations, inquiries, and briefings which may affect any school site.
- Respond (24/7) to Text-A-Tip alerts. Serve as a law enforcement resource with access to station mental health and psychiatric emergency response team. Work in collaboration with District School Police and Mental Health Personnel.
- At the request of the high school administration, develop and implement a program for incoming freshman. The presentation provides students with information on the effects and consequences of drug and alcohol use, information and consequences of tagging and gang participation, and expectations of students at El Rancho High School.
- Assist school personnel with the implementation of the “Every 15 Minute” program (program which teaches the dangers of D.U.I. and distracted driving).
- Respond to civility matters in support of District policy and serve notices to parents/guardians that have violated the policy.
- Respond to school campuses (at the request of school administrators for law enforcement services) such as custody issues, restraining orders, trespassers, possession of controlled substances, under the influence of controlled substances, graffiti, possession of dangerous weapons, traffic issues, and other related Penal, Vehicle, and Education Code violations.
- Immediately respond at the request of school site administrators for administrative searches when drugs and/or dangerous weapons are suspected to be in the possession of students.
- Respond at the request of school site personnel for counseling of at risk students, and parents.
- Respond at the request of school site personnel for home welfare checks, where neglect or possible child abuse is suspected. Work in collaboration with DCFS Representative and Student Services.
- Investigate any allegations of wrong doing which are made against district personnel.
- Coordinate with district personnel regarding any law enforcement activity, which could affect the daily activities of any school sites (i.e., lock downs, wanted suspects, and wanted persons advisories).
- Coordinate with school personnel when the need for extra patrol is needed for extracurricular events such as high school football games, night pep rally, 5K runs, dances, and graduations.
- At the request of the El Rancho Unified Superintendent develop and implement training programs for active shooter scenarios. The training programs are administered to all El Rancho Unified school staff to facilitate a coordinated response in the event of an active shooter at any school facility. Lockdown drills are drilled once a year at all school sites.
- Coordinate with the El Rancho School Police on any recurring training, which is essential to their daily job description.
- Attend meetings at the request of the department or the school district where the expertise of a School Resource Officer is needed and serve on committees upon request as the law enforcement representative.



To: Mayor and City Council
From: City Manager
Meeting Date: October 25, 2016
Subject: RIO HONDO PARK SOCCER COMPLEX - RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR THE CALIFORNIA YOUTH SOCCER AND RECREATION DEVELOPMENT PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED GRANT DOCUMENTS

Recommendation:

Approve a resolution authorizing the filing of an application for grant funding for the construction of an artificial turf soccer field at Rio Hondo Park through the California Youth Soccer and Recreation Development Program under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) and authorizing the City Manager to execute all related grant documents.

Fiscal Impact:

The California Youth Soccer and Recreation Development Program application is requesting a maximum of \$1,000,000 for the development of a dedicated artificial turf soccer field at Rio Hondo Park. The proposed grant does not require local matching funds. However, applicants that provide a commitment for matching contributions make this grant application more competitive. Matching funds of up to 25% of the maximum grant amount requested would be required, or \$250,000. Should the City be awarded this grant, matching funds would be appropriated from General Fund reserves.

Additional City Council action will be required should the City be awarded California Youth Soccer and Recreation Development Program funds. Staff will return with an agenda report after the grant award notification with a budget amendment request.

Discussion:

California voters approved the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) that funded various local assistance grants including the California Youth Soccer and Recreation Development Program. Twenty three million dollars (\$23,000,000) was appropriated to these funding opportunities to acquire and develop properties of the state park system, to acquire and develop neighborhood, community, and regional parks and recreational areas, for land, air and water conservation programs. The grant is administered through the State of California Department of Parks and Recreation, Office of Grants and Local Services (Agency).

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RIO HONDO PARK SOCCER COMPLEX - RESOLUTION AUTHORIZING THE FILING
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The intent of the California Youth Soccer and Recreation Development Program is to award grants to local agencies and community based-organizations on a competitive basis for fostering the development of new youth soccer, baseball, softball, and basketball recreation opportunities in heavily populated, low-income urban areas with a high youth crime and unemployment rate.

The Agency's mission is to address California's diverse recreational, cultural and historical resource needs by developing grant programs, administering funds, offering technical assistance, and building partnerships. Grants under the California Youth Soccer and Recreation Development Program will be awarded on a competitive basis and must meet the following requirements:

1. Eligible projects must include creating new opportunities for youth soccer, baseball, softball, and basketball.
2. Projects must include a water conservation measure.

The City of Pico Rivera seeks to secure funding for the development of a dedicated artificial turf soccer field complex at Rio Hondo Park in the natural turf area at the center of the park currently used for soccer. The proposed field designs are based on the US Youth Soccer recommended goal and field standards for youth 12 and under, including a full size soccer field measuring 106 yards by 61 yards. Two smaller regulation fields will also be overlaid providing for maximum use by youth soccer players under the age of 10. The soccer complex will be gated with access for organized youth groups utilizing the existing field permit process and general hours of operation will be available for limited general public use.

The goal of the project proposed in this application would be to support the existing water conservation measures by replacing over 80,000 square feet of natural turf with an artificial turf field. Rio Hondo Park demographics most closely meet the intent of the grant to serve the population that lives in this area. No changes are proposed for other existing park amenities that feature lighted handball courts, open green space, basketball courts, playground, concession stands, a picnic pavilion, community center, and baseball diamond. The grant eligibility specifically requires the development of a new opportunity. Although support amenities are eligible, the primary intent will be the development of the new soccer complex.

The proposed project in this application would complement the existing amenities at Rio Hondo Park and would provide dedicated space for soccer development and organized soccer usage. In compliance with the grant application process, a Community Meeting was held at Rio Hondo Park on Monday, October 17, 2016 at 6:00 pm hosted by Director of Parks and Recreation - Arlene Salazar and Director of Public Works - James Enriquez to

COUNCIL AGENDA REPORT – MTG. OF OCTOBER 25, 2016
RIO HONDO PARK SOCCER COMPLEX - RESOLUTION AUTHORIZING THE FILING
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describe the proposed project and to gain feedback on the project concept and design elements. A total of thirty-two persons were in attendance at the meeting. All community sports groups were invited via email, phone calls, Facebook posts, and flyers displayed in City facility lobbies. All in attendance were extremely supportive of the grant proposal for the development of an artificial turf soccer field at Rio Hondo Park. No objections were voiced or communicated via written correspondence.

A signed resolution from the City Council authorizing submittal of the grant application is a requirement for filing the application.



René Bobadilla

RB:AS

Enc.

- 1) Resolution
- 2) Attachment 1 – Rio Hondo Soccer Complex layout

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING THE APPLICATION FOR YOUTH SOCCER AND RECREATION DEVELOPMENT PROGRAM GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Youth Soccer and Recreation Development Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the City of Pico Rivera (“City”) to certify by resolution the approval of application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby: Approves the filing of an application for the Rio Hondo Park Soccer Complex, and

SECTION 1. Certifies that the City has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and

SECTION 2. Certifies that if the project is awarded the City has or will have sufficient funds to operate and maintain the project, and

SECTION 3. Certifies that the applicant has reviewed, understands and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and

SECTION 4. Delegates the authority to the City Manager, to conduct all negotiations, sign and submit all documents, including but not limited to applications, agreements, amendments and payment requests, which may be necessary for the completion of the Grant Scope; and

SECTION 5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

[Signatures on the Following Page]

RESOLUTION NO. _____

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APPROVED AND ADOPTED this _____ day of _____, 2016.

I, the undersigned, hereby certify that the foregoing Resolution Number ____ was duly adopted by the City Council for the City of Pico Rivera following a roll call vote:

David W. Armenta, Mayor

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

RIO HONDO PARK ARTIFICIAL TURF SOCCER FIELDS GRANT APPLICATION





To: Mayor and City Council
From: City Manager
Meeting Date: October 25, 2016
Subject: ESTABLISHMENT OF IRREVOCABLE TRUST WITH CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) PROGRAM

Recommendation:

It is recommended that the City Council:

1. Adopt a resolution approving the California Employers' Retiree Benefit Trust (CERBT) Agreement and Election to Pre-fund Other Post-Employment Benefits (OPEB) through CalPERS (Enclosure 1, Exhibit A) and the "Delegation of Authority Form" (Enclosure 1, Exhibit B); and
2. Adopt a resolution amending the Fiscal Year 2016-17 budget by increasing appropriations by \$4,000,000, utilizing General Fund reserves to pre-fund the trust established through the CERBT program (Enclosure 2).

Fiscal Impact:

Establishing an irrevocable trust would have many positive financial benefits. The most significant is the reduction to the City's retiree medical unfunded actuarial accrued liability (UAAL). Currently, Pico Rivera's annual financial statements reflect a \$39.680 million UAAL related to the provision of health benefits to retirees (as of June 30, 2015). Establishing a trust and being able to utilize a higher assumed rate of return on assets would lower the UAAL to approximately \$26.772 million – a 33% reduction.

Furthermore, if approved, the strategy described below recommends utilizing \$4.0 million of the \$5.7 million the City has reserved for addressing its retiree medical liabilities to pre-fund the trust in Fiscal Year 2016-17. Pre-funding the trust provides an immediate influx of assets that will further reduce the City's long-term retiree medical related liability.

Joining the California Employers' Retiree Benefit Trust (CERBT) program would have an annual cost of approximately 0.10% -- ten basis points – of assets on hand. This is a very low-cost program when compared to other trust programs available to public agencies. In addition, there are no additional costs associated with third-party investment managers or fiscal agents – all administration of the trust is handled by CERBT program staff.

Background

The City of Pico Rivera pays for health benefits to its retirees. Depending on an employee's date of hire, the health benefits provided in retirement vary. For employees hired by the City of Pico Rivera prior to July 1, 2012 (Tier 1), the City pays the full medical premium for the retiree and dependents. For employees hired on or after July 1, 2012 (Tier 2), the City provides the Public Employees' Medical and Health Care Act (PEMHCA) minimum (\$125/month for calendar year 2016, with annual adjustments done in January and determined by PERS).

The City spends approximately \$900,000 annually to provide retiree health benefits to approximately 106 retirees (data as of June 30, 2015). These expenses are recorded in the General Fund and are budgeted annually through the regular budget preparation and adoption process.

The City's current approach – paying only the actual, annual cost of retirees' health care premiums – is called "pay as you go." This is a common approach for public agencies offering retiree health care programs. However, the "pay as you go" method does not address any potential, future retiree medical health costs (also known as Other Post Employment Benefit [OPEB] costs). That is, Pico Rivera is not putting aside any additional funds to pay for future retirees from the City who would receive health benefits.

For example, as of June 30, 2015, there were 121 active employees who could potentially retire from the City of Pico Rivera and would be eligible for either Tier 1 or Tier 2 health benefits as retirees. The "pay as you go approach" does not set aside any funds for these current employees who could eventually retire from the City and be entitled to retiree medical coverage provided by the City of Pico Rivera.

The "pay as you go" approach means the City pays its current liability – what it costs each year to provide health care to all current retirees – but our future liability continues to grow. The annual "pay as you go" amount grew from \$439,000 in Fiscal Year 2004-05 to \$950,000 budgeted for FY 2016-17. The City's long-term liability for providing retiree health grew from \$26.651 million in FY 2008-09 to \$39.680 million in FY 2014-15 (latest period for which data is available).

Many public agencies, in an effort to reduce their Other Post Employment Benefit (OPEB) related unfunded liabilities are establishing irrevocable trusts. Pico Rivera's \$39.680 million unfunded actuarial accrued liability (UAAL) will continue to grow unless we begin to set aside dedicated funds to address current and future OPEB liabilities (i.e., funds that would be used to pay for health benefits for the 121 active employees who could retire from the City and begin receiving health benefits, either Tier 1 or Tier 2).

Pico Rivera has had the foresight to set aside approximately \$5.7 million in a General Fund reserve (assignment) to address OPEB liabilities. However, this is not the same as establishing an irrevocable trust. This \$5.7 million could be re-directed for any number of purposes through normal City Council action. Furthermore, third-party financial institutions – such as credit rating agencies – only recognize irrevocable trusts when analyzing credit

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ESTABLISHMENT OF IRREVOCABLE TRUST WITH CALIFORNIA EMPLOYERS'
RETIREE BENEFIT TRUST (CERBT)

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risk and overall financial standing and do not give the same benefit for amounts held in reserve accounts. Any potential benefit to the City's financial standing in the eyes of credit rating agencies is lost by keeping funds in the General Fund. Pico Rivera enjoys an "AA-" credit rating (recently upgraded as part of the refunding of the City's 2009 Lease Revenue Bonds). Establishing a trust would positively benefit the City in any future credit reviews.

Per City Council direction, staff has pursued the establishment of a trust through the CalPERS California Employers' Retiree Benefit Trust (CERBT) program. The City Council was provided with a detailed summary of this program and staff's recommendations (see October 6, 2016 summary memorandum, Enclosure 5). This agenda report presents an overview of the CERBT program, recommends a funding strategy, and presents a recommendation for pre-funding the trust. Establishing and pre-funding a trust would significantly reduce the City's \$39.680 million UAAL and reduce the impact to the General Fund of future retiree medical costs.

California Employers' Retiree Benefit Trust (CERBT) Program Overview

The CERBT program was created by PERS in March, 2007. Since then it has grown to 497 participants – a mix of cities, special districts, school districts, and counties. The program manages approximately \$5.5 billion in assets. These assets are held and managed separately from those used to provide retirement benefits to PERS retirees. The CalPERS Board accepts investment fiduciary responsibility, removing that burden from the City. Investments also receive independent external oversight by an investment consultant, the PERS Chief Financial Officer and the CalPERS Office of Enterprise Risk Management.

Agencies establish irrevocable trusts to address their long-term OPEB liability as well as help ensure that a retiree medical program will be funded in future years. Establishing a trust allows agencies to put aside assets – through a combination of pre-funding and annual contributions – that will be invested and continue to grow. In turn, the agency benefits in several ways:

- Future actuarial valuations use a higher discount rate (i.e., rate of investment return) which reduces the unfunded actuarial accrued liability (e.g., long-term liability)
- As invested assets grow, the assets on hand can be used to make payments of retiree medical premiums (saving the General Fund by lowering annual operating costs)
- Improving the City's overall credit standing by directly addressing the unfunded liability (UAAL)
- Helps ensure adequate funding will be available for future retirees (investing now for the future)

Investing assets in a trust, which grow based on how they are invested, lowers the annual cost of the retiree health benefit program since trust assets eventually grow to an amount sufficient to offset the annual cost of providing retiree health benefits. This lower cost would positively impact the General Fund – paying for retiree medical premiums from the

COUNCIL AGENDA MEMO – MTG OF 10/25/2016
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RETIREE BENEFIT TRUST (CERBT)

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trust vs. the annual operating budget. It usually takes about 12 to 15 years for assets to grow enough to offset General Fund expenses. During this time, the City benefits from having lower liabilities on its balance sheet, improved financial standing, and assurance that assets will be available in the future to cover retiree health costs.

Advantages of the CERBT Program

The specific advantages of establishing a trust with PERS CERBT include:

- Single point of contact for all trust management issues (administration, investment, and disbursement of funds)
- Low administrative cost (low overhead)
- Simple process for initial trust set-up and funding (sooner vs. later)

Of significant importance in choosing the CERBT program was the overall cost of establishing and administering a trust – 0.10% (or ten basis points) of assets invested. The overall cost consideration included direct cost to the City (as a percentage of assets on hand) as well as indirect costs associated with Pico Rivera staff time needed to set-up and manage the trust. Related to this is the ease of administration. Given the limited number of dedicated treasury, benefits and payroll staff in Finance, it is imperative that the trust be simple to administer.

CERBT also has the benefit of not having to establish a separate “custodial” banking relationship for the deposit, management and investment of funds. With CERBT, all annual payments are sent directly to the PERS CERBT office. There is no need to set up a trustee account with another bank or financial institution, thus saving set-up time, streamlining long-term administration, and most importantly saving money (fewer “administrators” means lower overhead).

Investment Strategy

As stated previously in this report, a major advantage of establishing a trust is the ability to pre-fund it. Assets on hand will be invested and any gains will be used to further offset the long-term liability of the City’s OPEB program. In addition, depending on the investment strategy, the higher rate of return lowers the City’s OPEB UAAL. Choosing to establish a trust with CERBT allows assets to be invested in one of three strategies (see attached investment strategy summary sheets, Enclosure 4).

The strategies have varying mixes of equities and fixed income investments: varying from 60% equity and 40% fixed income (Strategy 1) to 25% equity and 75% fixed income (Strategy 3). Each strategy has an assumed long-term rate of return, all of which are higher than the 4.0% rate of returned utilized in the City’s “pay as you go” actuarial valuation. Strategy 1 aims for a long-term 7.28% rate of return, Strategy 2 has a 6.73% target and Strategy 3 has a goal of 6.12% return. The attached strategy sheets (Enclosure 4) provide additional detail on the exact mix of equities vs. fixed income investments, the assumed rates of return and recent performance data.

One of the primary benefits of using a trust is the higher rate of return which the required GASB 45 valuation utilizes when computing unfunded actuarial accrued liability (UAAL).

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The most recent GASB 45 actuarial valuation performed for the City by its actuary Bartel and Associates (dated June 30, 2015) utilized a 4.00% discount rate (a standard assumption for “pay as you go” plans). This discount rate, combined with the fact the City has no assets pledged towards its OPEB liabilities, returned the \$39.860 million UAAL, which is reflected in the FY 2014-15 Comprehensive Annual Financial Report (CAFR).

Staff is recommending utilizing CERBT Strategy 1, a 60/40 split between equities and fixed income investments. The benefits of utilizing the assumed 7.28% return, coupled with having assets on hand, would significantly lower the City’s UAAL from \$39.860 million to an estimated \$26.772 million. Pre-funding the trust (discussed below) would provide additional benefits.

Pre-Funding Strategy

As mentioned previously, the City is fortunate to have set-aside reserves in the General Fund earmarked for “OPEB Liabilities.” However, these reserves could be re-allocated by City Council action and those funds used for other purposes. Establishing the trust allows the City to transfer a portion of the OPEB reserve in the General Fund (approximately \$5.7 million) to the CERBT program, where those funds can only be utilized for current and future OPEB costs.

Staff is recommending, once the trust is approved and established, to use \$4.0 million of the approximately \$5.7 million currently reserved for OPEB liabilities to immediately pre-fund the trust (by June 30, 2017). Staff has worked with the City’s actuary (Bartel and Associates) to determine that \$4.0 million is an appropriate amount for pre-funding. The plan, if approved, would be to send a total of \$4.0 million to the CERBT program over the course of a seven month period (December 2016 through June 2017), making monthly payments of approximately \$571,500 to take advantage of a basic investment strategy called “dollar cost averaging.” Utilizing this approach would provide \$4.0 million in pre-funding by the end of Fiscal Year 2016-17.

The amount of General Fund reserves earmarked for “OPEB Liabilities” remaining after the initial pre-funding (\$5.7 million - \$4.0 million = \$1.7 million) would remain earmarked to use for future funding of the trust. Once the trust is established, a funding schedule would be prepared and presented to the City Council as part of the FY 2017-18 budget development process that would outline – over a five to seven year period – what additional “lump sum” deposits should be made to the trust, with the goal of utilizing the entire \$5.7 million in the most prudent and financially responsible manner over a five to seven year period. In addition, should the City continue to realize positive budget surpluses, the City Council could choose to send additional funds to the trust, further improving Pico Rivera’s long-term financial condition.



René Bobadilla

RB:MS

COUNCIL AGENDA MEMO – MTG OF 10/25/2016
ESTABLISHMENT OF IRREVOCABLE TRUST WITH CALIFORNIA EMPLOYERS'
RETIREE BENEFIT TRUST (CERBT)
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- Enc. 1) Resolution Approving Agreement and Prefund CERBT, Exhibit A
2) Resolution Amending FY 2016-17 Budget, Exhibit B
3) Certificate of OPEB Funding – Asset Allocation Choice
4) Investment Strategy Summaries, 1-3
5) Memo to City Council, October 6, 2016

RESOLUTION NO. _____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING AN AGREEMENT AND ELECTING TO PRE-FUND OTHER POST-EMPLOYMENT BENEFITS (OPEB) THROUGH CALPERS THROUGH ESTABLISHMENT OF AN IRREVOCABLE TRUST THROUGH THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM (CERBT)**

WHEREAS, the City of Pico Rivera provides a retiree medical health program for retired employees that meet certain, specific eligibility requirements; and

WHEREAS, this retiree medical health program, also commonly and generically referred to as an Other Post-Employment Benefits (OPEB) program, has certain ongoing and actuarial estimated future costs associated with its administration and maintenance; and

WHEREAS, on August 23, 2016, City Council provided direction to Staff to pursue establishment of a trust to address OPEB related costs and liabilities and further accepted the recommendation by staff to work with the CERBT program to establish the trust; and

WHEREAS, on October 6, 2016, the City Council received summary written information describing the CERBT program and the benefits of establishing a trust, one of the benefits being the reduction in the City's Unfunded Actuarial Accrued Liability (UAAL); and

WHEREAS, the October 6, 2016, summary memorandum provided a recommendation for pre-funding the trust in an amount between \$2.0 million and \$4.0 million; and

WHEREAS, the final pre-funding amount will be revised so as to reflect each and all of the modifications of the pre-funding amount with the City Council, up to the time of this resolution, believes should be transmitted to CERBT during the course of the 2016-17 Fiscal Year and which is based on a recommendation contained in the agenda report accompanying this resolution; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pico Rivera as follows:

SECTION 1. The City Council of the City of Pico Rivera hereby makes the following representation and warranty and agrees to the terms and conditions contained in Exhibit A to this Resolution, also referred to as the "California Employers' Retiree

Benefit Trust Program Agreement and Election of the City of Pico Rivera to Prefund Other Post-Employment Benefits through CalPERS.

SECTION 2. The City Council of the City of Pico Rivera also delegates authority to request disbursements from the CERBT as outlined in Exhibit B to this Resolution, "Delegation of Authority to Request Disbursements."

SECTION 3. The City Clerk shall attest to the passage of this resolution and it shall thereupon be in full force and effect.

ADOPTED AND APPROVED this 25th day of October, 2016.

David W. Armenta, Mayor

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF**

CITY OF PICO RIVERA

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST-EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) CITY OF PICO RIVERA
(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post-Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan as defined in Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB Standards) consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
 CERBT (OPEB)
 P.O. Box 1494
 Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
 CERBT (OPEB)
 400 Q Street
 Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

C. Other Post-Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by applicable GASB OPEB Standards. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB OPEB Standards, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB OPEB Standards, to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
 - 2) prepared in accordance with generally accepted actuarial practice and GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.
- (b) If qualified under GASB OPEB Standards, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB OPEB Standards;
 - 2) prepared in accordance with GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report for financial reporting purposes submitted to it, but shall not unreasonably do so. In the event that the Board

determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report for financial reporting purposes acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB OPEB Standards. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. Contributions can be made at any time following the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts are maintained for each employer so that the Employer's assets will provide benefits only under the Employer's post-employment benefit plan(s).

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among participating employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post-employment healthcare benefits and other post-employment benefits as defined in GASB OPEB Standards.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.
- (b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the

Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as that term is used in GASB OPEB Standards), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized

representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
 - 1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 - 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 - 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
 - 4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
 - 5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written

confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(5) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and

signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(6) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the 25th day of the month of October in the year 2016, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: David W. Armenta, Mayor

Name of Governing Body: City Council of the City of Pico Rivera

Name of Employer: City of Pico Rivera

Date: October 25, 2016

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
JOHN SWEDENSKY
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS The effective date of this Agreement is: _____
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**DELEGATION OF AUTHORITY
TO REQUEST DISBURSEMENTS**

**RESOLUTION
OF THE**

City Council of the City of Pico Rivera

(GOVERNING BODY)

OF THE

City of Pico Rivera

(NAME OF EMPLOYER)

The City Council of the City of Pico Rivera delegates to the incumbents
(GOVERNING BODY)

in the positions of Director of Finance/City Treasurer and
(TITLE)

City Manager and/or
(TITLE)

Deputy Director of Finance authority to request on
(TITLE)

behalf of the Employer disbursements from the Other Post Employment Prefunding
Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title Mayor

Witness _____

Date October 25, 2016

RESOLUTION NO. _____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING THE FISCAL YEAR 2016-17 BUDGET FOR THE PURPOSE OF PRE-FUNDING AN IRREVOCABLE TRUST ESTABLISHING THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM (CERBT)**

WHEREAS, the City of Pico Rivera has established a trust through separate action and resolution with the California Employers' Retiree Benefit Trust (CERBT) program; and

WHEREAS, the City Council of the City of Pico Rivera has directed that the CERBT be pre-funded by utilizing available General Fund reserves in order to further and immediately reduce the City's unfunded liability associated with its Other Post-Employment Benefits (OPEB) program; and

WHEREAS, the City of Pico Rivera retains sufficient reserves to effectuate the pre-funding of the trust and the transfer of said funds to CERBT during the course of Fiscal Year 2016-17; and

WHEREAS, the pre-funding and transfer of funds to CERBT requires amending the Fiscal Year 2016-17 budget by appropriating funds from the General Fund "OPEB Unfunded Liability Assignment" and amending the Non-Department General Fund Budget (Account No. 100.90.9010) as outlined below; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pico Rivera as follows:

SECTION 1. Appropriate funds from the General Fund "OPEB Unfunded Liability Assignment" by amending the General Fund Transfers Out Account No. 100.98.9800-56900 in the amount of \$4,000,000.

SECTION 2. Amend the General Fund Transfers In Account No. 100.00.0000-47900 in the amount of \$4,000,000.

SECTION 3. Amend the General Fund Non-Departmental "CERBT Trust" Account No. 100.90.9010-51950 in the amount of \$4,000,000, which will be the account utilized to make the expenditure and transfer of funds to CERBT during the course of the 2016-17 fiscal year.

SECTION 4. The City Clerk shall attest to the passage of this resolution and it shall thereupon be in full force and effect.

ADOPTED AND APPROVED this 25th day of October, 2016.

David W. Armenta, Mayor

ATTEST:

APPROVED AS TO FORM:

Anna M. Jerome, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:



CERTIFICATION OF OPEB FUNDING POLICY & GASB 43/45 REPORTING COMPLIANCE

SECTION I: Asset Allocation Strategy Selection

As the employer, I certify that my agency chooses the following asset allocation strategy

Select one Asset Allocation Strategy

<u>Asset Allocation Strategy</u>	<u>Long-Term Expected Rate of Return</u>
<input checked="" type="checkbox"/> Strategy 1	7.28%
<input type="checkbox"/> Strategy 2	6.73%
<input type="checkbox"/> Strategy 3	6.12%

SECTION II: ARC Funding

As the employer, I certify that our funding policy is to contribute consistently an amount that is equal to (select one):

Full ARC Funding:

- 100 % of the ARC as determined in our OPEB valuation (or AMM) dated _____, 20____, which used an actuarial Discount Rate of _____%

Partial ARC Funding:

- _____% of the ARC as determined in our OPEB valuation (or AMM if it applies) dated _____, 20____ which used a blended actuarial Discount Rate of _____%
- We will contribute to the trust using an approach not directly related to the ARC (please describe your funding approach and how it relates to the discount rate assumption in your OPEB valuation (or AMM) dated June 30 _____, 2015 which used a blended actuarial Discount Rate of 4.0 %

CERTIFICATION OF OPEB FUNDING POLICY & GASB 43/45 REPORTING COMPLIANCE

SECTION III: ARC Contribution Method

We plan to contribute toward the ARC in the following manner (select one):

Contribute our full ARC payments to the trust and seek reimbursements for Pay-go costs

Contribute our ARC payments to the trust net of Pay-go costs and not seek reimbursements (ARC minus Pay-go = Trust Contribution)

Other (Please describe):

Planning to make total payment of \$4.0 million during FY 2016-17 in regular, scheduled payments with plans to fully

fund 100% of the ARC on an annual basis in future years.

SECTION IV: Years of ARC Coverage

This OPEB valuation provides ARC amounts for the following periods:

(ARC dates should correspond with Item No. 10.0 in Summary of Actuarial Information)

First Year: From July 1, 2013 through June 30, 2014.
Second Year: From July 1, 2014 through June 30, 2015.

**CERTIFICATION OF OPEB FUNDING POLICY &
GASB 43/45 REPORTING COMPLIANCE**

We understand that we must obtain an actuarial valuation (or AMM if applicable) on at least a biennial basis.

We understand that we will be asked to provide accounting information to CalPERS as required in order to facilitate CalPERS compliance with GASB 43, 45 and 57 reporting requirements and we agree to make any information requested available to CalPERS on a timely basis.

We understand that CalPERS will provide us with our Statement of Plan Net Assets and our Statement of Changes in Plan Net Assets, which can be used to prepare our GASB 45 reporting. CalPERS will report aggregated GASB 43 information pertaining to the Funded Status and Funding Progress.

June 30, 2015

Date of OPEB Valuation (or AMM if it applies)

City of Pico Rivera

Name of Employer

Michael Solorza, Director of Finance / City Treasurer

Printed Name and Title of Person Signing the Form

Signature

Date

Michael Solorza

Designated Employer Contact Name for GASB Reporting

562-801-4392

msolorza@pico-rivera.org

Phone #

Email Address

CERTIFICATION OF OPEB FUNDING POLICY & GASB 43/45 REPORTING COMPLIANCE

Instructions to complete the form

SECTION I: Asset allocation Strategy and Discount Rate Selection

Check the box next to the Asset Allocation Strategy on which you have based your OPEB actuarial valuation or Alternative Measurement Method (AMM) cost report. Each strategy has a different assumed Long Term Expected Rate of Return and risk profile. Your CERBT assets will be invested using the Asset Allocation Strategy indicated here.

The choices you check off on this form should match those used by your actuary in the OPEB valuation.

SECTION II: ARC Funding

- If you are fully funding, check the first box indicating the 100% funding, the applicable Discount Rate, and the valuation date.

- If you are funding at less than 100%, check the second box to indicate the percentage of funding [trust contributions plus paygo (and Implicit Rate Subsidy if applicable) divided by ARC], the valuation date, and the Discount Rate.

- If you are funding at less than 100% and your contributions are not tied specifically to the ARC, then indicate how you expect to contribute. For example, if you intend to make unreimbursed pay-go payments plus a fixed dollar amount to the trust, then describe this in the space provided.

SECTION III: ARC Contribution Method

Here we ask you to indicate how you expect to make contributions to the trust: Full ARC with reimbursements, ARC net of paygo, or something else (please describe).

SECTION IV: Years of ARC Coverage

Generally, your OPEB valuation will provide two years of ARC coverage. Please identify the specific periods to which the ARC applies.

California Employers' Retiree Benefit Trust (CERBT) CERBT Strategy 1



August 31, 2016

Objective

The objective of the CERBT Strategy 1 portfolio is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 1 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 2 and Strategy 3, this portfolio consists of a higher percentage of equities than bonds and other assets. Historically, equities have displayed greater price volatility and therefore this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes, in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end, the aggregate total of assets under management for all CERBT Strategies was

\$5,444,811,794.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	57%	± 2%	MSCI All Country World Index IMI (net)
Fixed Income	27%	± 2%	Barclays Capital Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 2%	Barclays Capital Global: US TIPS Index
Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index

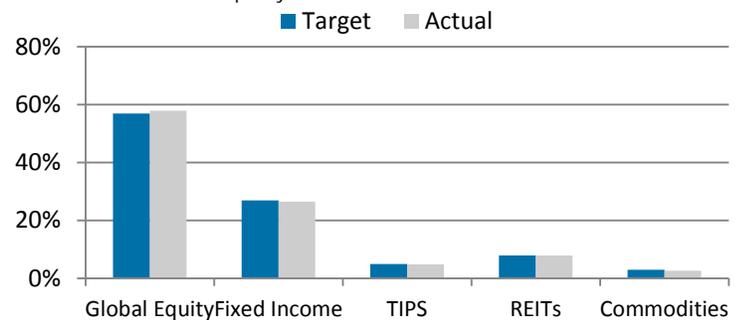
¹ Allocations approved by the Board at the October 2014 Investment Committee meeting

Portfolio Benchmark

The CERBT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



CERBT Strategy 1 Performance as of August 31, 2016

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (June 1, 2007)
Gross Return ^{1,3}	0.07%	4.04%	3.17%	8.47%	6.71%	7.88%	4.12%
Net Return ^{2,3}	0.07%	4.01%	3.16%	8.38%	6.60%	7.75%	4.05%
Benchmark returns	-0.03%	3.83%	3.01%	7.95%	6.26%	7.61%	3.67%

Performance quoted represents past performance, which is no guarantee of future results that may be achieved by the fund.

*Returns for periods greater than one year are annualized.

¹ Gross performance figures are provided net of SSGA operating expenses.

² Net Performance figures deduct all expenses to the fund, including investment management, administrative and recordkeeping fees.

³ See the Expense section of this document.

August 31, 2016

General Information

Information Accessibility

The CERBT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or external advisors. Since it is not a mutual fund, a prospectus is not available nor is information available from a newspaper source. This summary is designed to provide descriptive information. CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, including performance to the most recent month-end, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Investment Committee and Board of Administration directs the investment strategy and investments of the CERBT. Under that direction, CalPERS Investment staff manages fixed income, treasury inflation-protected securities and commodities assets; and State Street Global Advisors (SSgA) manages the global equity and real estate investment trust assets.

Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as record keeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the fee, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSgA to manage the global equity and real estate trust assets, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per share. CERBT's actual expenses may differ from the amount currently being accrued due to factors such as changes in average fund assets or market conditions. The expense accrual rate may change without notice in order to reflect changes in average portfolio assets or in expense amounts. The CalPERS Board annually reviews the operating expenses and changes may be made as appropriate. Even if the portfolio loses money during a period, the fee is still charged.

What Employers Own

Each employer choosing CERBT Strategy 1 owns a percentage of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits. CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives nor provide sufficient funding to meet these employer obligations. Further, CalPERS will not make up the difference between actual health care premiums for payment of future benefits provided to retirees should CERBT assets not be sufficient to cover future obligations.

An investment in the portfolio is not a bank deposit, and it is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

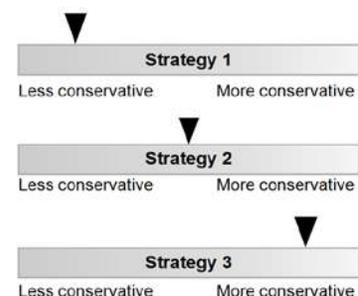
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employer Retirees' Benefit Trust.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
Treasury Inflation-Protected Securities	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%



August 31, 2016

Objective

The objective of the CERBT Strategy 2 portfolio is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 2 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 3, this portfolio consists of a moderate allocation of equities, bonds, and other assets. Historically, equities have displayed greater price volatility and therefore, this portfolio may experience comparatively less fluctuation of value compared to CERBT Strategy 1 but more fluctuation of value compared to CERBT Strategy 3. Employers that seek a moderate approach to investing may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes, in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end, the aggregate total of assets under management for all CERBT Strategies was **\$5,444,811,794**.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	40%	± 2%	MSCI All Country World Index IMI (net)
Fixed Income	39%	± 2%	Barclays Capital Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	10%	± 2%	Barclays Capital Global: US TIPS Index
Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index

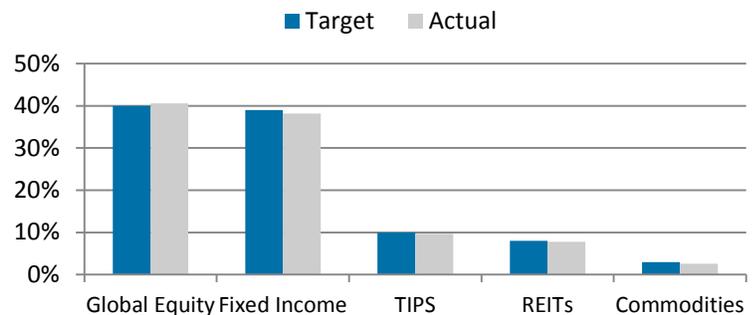
¹ Allocations approved by the Board at the October 2014 Investment Committee meeting

Portfolio Benchmark

The CERBT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



CERBT Strategy 2 Performance as of August 31, 2016							
	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (October 1, 2011)
Gross Return ^{1,3}	0.02%	3.96%	2.54%	8.66%	6.38%	-	8.10%
Net Return ^{2,3}	0.01%	3.94%	2.52%	8.56%	6.27%	-	7.97%
Benchmark returns	-0.12%	3.78%	2.37%	8.18%	6.00%	-	7.85%

Performance quoted represents past performance, which is no guarantee of future results that may be achieved by the fund.

*Returns for periods greater than one year are annualized.

¹ Gross performance figures are provided net of SSGA operating expenses.

² Net Performance figures deduct all expenses to the fund, including investment management, administrative and recordkeeping fees.

³ See the Expense section of this document.



General Information

Information Accessibility

The CERBT Strategy 2 portfolio consists of assets managed internally by CalPERS and/or external advisors. Since it is not a mutual fund, a prospectus is not available nor is information available from a newspaper source. This summary is designed to provide descriptive information. CalPERS provides a quarterly statement of the employer's account and other information about the CERBT. For total market value, detailed asset allocation, investment policy and current performance information, including performance to the most recent month-end, please visit our website at: www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Investment Committee and Board of Administration directs the investment strategy and investments of the CERBT. Under that direction, CalPERS Investment staff manages fixed income, treasury inflation-protected securities and commodities assets; and State Street Global Advisors (SSgA) manages the global equity and real estate investment trust assets.

Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as record keeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the fee, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSgA to manage the global equity and real estate trust assets, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per share. CERBT's actual expenses may differ from the amount currently being accrued due to factors such as changes in average fund assets or market conditions. The expense accrual rate may change without notice in order to reflect changes in average portfolio assets or in expense amounts. The CalPERS Board annually reviews the operating expenses and changes may be made as appropriate. Even if the portfolio loses money during a period, the fee is still charged.

What Employers Own

Each employer choosing CERBT Strategy 2 owns a percentage of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits. CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives nor provide sufficient funding to meet these employer obligations. Further, CalPERS will not make up the difference between actual health care premiums for payment of future benefits provided to retirees should CERBT assets not be sufficient to cover future obligations.

An investment in the portfolio is not a bank deposit, and it is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

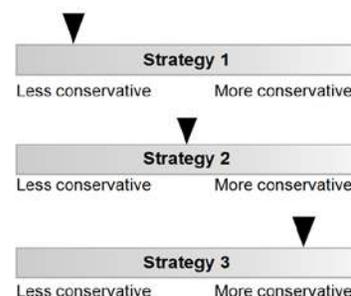
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employer Retirees' Benefit Trust.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
Treasury Inflation-Protected Securities	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%



August 31, 2016

Objective

The objective of the CERBT Strategy 3 portfolio is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CERBT Strategy 3 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CERBT Strategy 1 and Strategy 2, this portfolio consists of a lower percentage of equities than bonds, and other assets. Historically, funds with a lower percentage of equities have displayed less price volatility and therefore, this portfolio may experience less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes, in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end, the aggregate total of assets under management for all CERBT Strategies was **\$5,444,811,794**.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 3 portfolio consists of the following asset classes and corresponding benchmarks:

Asset Class	Target Allocation ¹	Target Range	Benchmark
Global Equity	24%	± 2%	MSCI All Country World Index IMI (net)
Fixed Income	39%	± 2%	Barclays Capital Long Liability Index
Treasury Inflation-Protected Securities ("TIPS")	26%	± 2%	Barclays Capital Global: US TIPS Index
Real Estate Investment Trusts ("REITs")	8%	± 2%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 2%	S&P GSCI Total Return Index

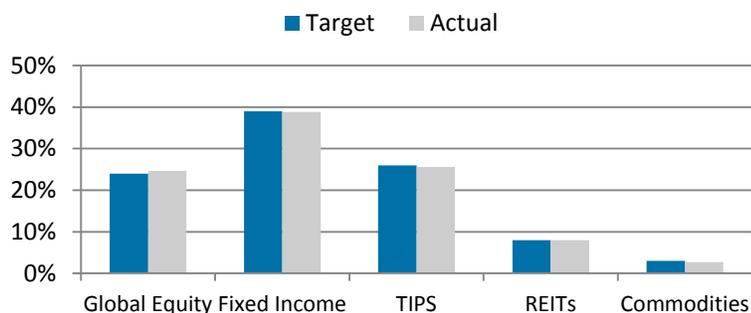
¹ Allocations approved by the Board at the October 2014 Investment Committee meeting

Portfolio Benchmark

The CERBT Strategy 3 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



CERBT Strategy 3 Performance as of August 31, 2016

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* January 1, 2012)
Gross Return ^{1,3}	-0.11%	3.73%	1.86%	8.25%	6.06%	-	6.17%
Net Return ^{2,3}	-0.11%	3.71%	1.85%	8.16%	5.95%	-	6.05%
Benchmark returns	-0.25%	3.52%	1.67%	7.82%	5.59%	-	5.83%

Performance quoted represents past performance, which is no guarantee of future results that may be achieved by the fund.

*Returns for periods greater than one year are annualized.

¹ Gross performance figures are provided net of SSGA operating expenses.

² Net Performance figures deduct all expenses to the fund, including investment management, administrative and recordkeeping fees.

³ See the Expense section of this document.



General Information

Information Accessibility

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Portfolio Manager Information

The CalPERS Investment Committee and Board of Administration directs the investment strategy and investments of the CERBT. Under that direction, CalPERS Investment staff manages fixed income, treasury inflation-protected securities and commodities assets; and State Street Global Advisors (SSgA) manages the global equity and real estate investment trust assets.

Custodian and Record Keeper

State Street Bank serves as custodian for the CERBT. Northeast Retirement Services serves as record keeper.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the fee, the greater the reduction of investment return. Currently, CERBT expenses are 0.10% which consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSgA to manage the global equity and real estate trust assets, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per share. CERBT's actual expenses may differ from the amount currently being accrued due to factors such as changes in average fund assets or market conditions. The expense accrual rate may change without notice in order to reflect changes in average portfolio assets or in expense amounts. The CalPERS Board annually reviews the operating expenses and changes may be made as appropriate. Even if the portfolio loses money during a period, the fee is still charged.

What Employers Own

Each employer choosing CERBT Strategy 3 owns a percentage of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CalPERS CERBT Fund provides California government employers with a trust through which they may prefund retiree medical costs and other post-employment benefits. CERBT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives nor provide sufficient funding to meet these employer obligations. Further, CalPERS will not make up the difference between actual health care premiums for payment of future benefits provided to retirees should CERBT assets not be sufficient to cover future obligations.

An investment in the portfolio is not a bank deposit, and it is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CERBT Principal Investment Risks" located at www.calpers.ca.gov.

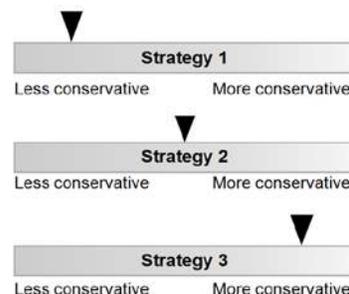
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employer Retirees' Benefit Trust.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
Treasury Inflation-Protected Securities	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%



CITY OF PICO RIVERA
MEMORANDUM

Date: October 6, 2016

To: Mayor and City Council

From: City Manager

Subject: ESTABLISHMENT OF TRUST TO FUND RETIREE MEDICAL COSTS

At the closed session of August 23, 2016, City Council was presented with an overview of the City's retiree medical program and methods for addressing the long-term cost of this benefit. The City Council was presented with the option of establishing an irrevocable trust in order to address the City's long term unfunded liabilities, with the added benefit of eventually lowering the ongoing operating cost of providing this benefit.

The recommendation was to partner with PERS and their California Employers' Retiree Benefit Trust (CERBT) program. City Council approved this recommendation and directed staff to work with PERS to establish an irrevocable trust and use General Fund reserves currently set-aside for this purpose to pre-fund the trust. Establishing and pre-funding the trust would reduce the City's \$39.680 million in OPEB unfunded liabilities and lower future ongoing retiree medical costs.

With your support, Finance Department staff has begun working with PERS to develop an action plan to establish a trust through their CERBT program. Furthermore, a portion of the General Fund OPEB reserves (approximately \$5.7 million) will be used to pre-fund the trust.

Staff's intention is to bring an action item at the October 25, 2016 City Council meeting requesting to formally establish a trust with PERS CERBT program and pre-fund it.

This memo provides a detailed analysis of the benefits of establishing a trust through the CERBT program, provides a recommendation for the pre-funding level, and outlines the timeline and actions necessary to join CERBT.

Benefits of Establishing an Irrevocable Trust

The City of Pico Rivera provides health benefits to its retirees. Depending on date of hire, these benefits vary. For employees hired by the City of Pico Rivera prior to July 1, 2012 (Tier 1), the City pays the full medical premium for the retiree and dependents. For employees hired on or after July 1, 2012 (Tier 2), the City provides the Public Employees' Medical and Health Care Act (PEMHCA) minimum (\$125/month for calendar year 2016, with annual adjustments done in January and determined by PERS).

The City spends approximately \$900,000 annually to provide retiree health benefits to approximately 106 retirees (data as of June 30, 2015). These expenses are recorded in

the General Fund and are budgeted annually through the regular budget preparation and adoption process.

The City's current approach – paying only the actual, annual cost of retirees' health care premiums – is called "pay as you go." This is a common approach for public agencies that provide retiree health care. However, the "pay as you go" method does not address any potential, future retiree medical health costs (also known as OPEB costs). That is, Pico Rivera is not putting aside any additional funds to pay for future retirees from the City. For example, as of June 30, 2015, there were 121 active employees who could potentially retire from the City of Pico Rivera and would be eligible for either Tier 1 or Tier 2 health benefits as retirees. The "pay as you go approach" does not set aside any funds for current employees who could eventually be entitled to retiree medical provided by the City of Pico Rivera.

The "pay as you go" approach means we pay our current liability – what it costs each year to provide health care to all eligible retirees – but our future liability continues to grow. The annual "pay as you go" amount grew from \$439,000 in Fiscal Year 2004-05 to \$950,000 budgeted for FY 2016-17. Many public agencies, in an effort to reduce their long-term unfunded liabilities are establishing irrevocable trusts. Pico Rivera's OPEB unfunded actuarial accrued liability (UAAL) is approximately \$39.680 million (as of June 30, 2015). This UAAL amount will continue to grow unless we begin to set aside dedicated funds to address current and future OPEB liabilities (i.e., funds that would be used to pay for health benefits for the 121 active employees who could retire from the City).

Pico Rivera has had the foresight to set aside approximately \$5.7 million in a General Fund reserve for OPEB liabilities. However, this is not the same as establishing an irrevocable trust. This \$5.7 million could be re-directed for any number of purposes through normal City Council action. Furthermore, third-party financial institutions – such as credit rating agencies – only recognize irrevocable trusts when analyzing credit risk and overall financial standing and do not give the same benefit for amounts held in reserve accounts. Any potential benefit to the City's financial standing in the eyes of credit rating agencies is lost by keeping funds in the General Fund. Pico Rivera enjoys an "AA-" credit rating (recently upgraded as part of the refunding of the City's 2009 Lease Revenue Bonds). Establishing a trust would positively benefit the City in any future credit reviews.

Staff has experience working with PERS, PARS and PFM Asset Management to review their OPEB trust offerings. For a City the size of Pico Rivera, the PERS CERBT program is a good fit given the ease of administering the program as well as the relatively low cost to administer (approximately ten basis points, or 0.10% of assets on deposit).

On the following pages is a general overview of the California Employers' Retiree Benefit Trust program and the benefits it would provide to Pico Rivera, followed by recommendations for pre-funding and a timeline for establishing and funding the trust (assuming action at a regular City Council meeting of October 25, 2016).

CERBT Program Overview

The CERBT program was created by PERS in March, 2007. Since then it has grown to 497 participants – a mix of cities, special districts, school districts and counties. The program manages approximately \$5.2 billion in assets.

Agencies establish irrevocable trusts to address their long-term OPEB liability as well as help ensure that a retiree medical program will be funded in future years. Establishing a trust allows agencies to put aside assets – through a combination of pre-funding and annual contributions – that will be invested and continue to grow. In turn, the agency benefits in several ways:

- Future actuarial valuations use a higher discount rate (i.e., rate of investment return) which lowers the unfunded actuarial accrued liability (e.g., long-term liability)
- As invested assets grow, the assets on hand can be used to make payments of retiree medical premiums (saving the General Fund by lowering annual operating costs)
- Improving the City's overall credit standing by directly addressing the unfunded liability (JAAL)
- Helps ensure adequate funding will be available for future retirees (investing now for the future)

Investing assets in a trust, which grow based on how they are invested, lowers the annual cost of the retiree health benefit program since trust assets eventually grow to an amount sufficient to offset the annual cost of providing retiree health benefits. This lower cost would positively impact the General Fund – paying for retiree medical premiums from the trust vs. the annual operating budget. It usually takes about 12 – 15 years for assets to grow enough to offset General Fund expenses. During this time, the City benefits from having lower liabilities on its balance sheet, improved financial standing, and assurances that assets will be available in the future to cover retiree health costs. Establishing a trust is about providing long-term stability and solutions for future liabilities.

The specific advantages of establishing a trust with PERS CERBT include:

- Single point of contact for all trust management issues (administration, investment and disbursement of funds)
- Low administrative cost (low overhead)
- Ability to have seamless transition for current retirees (no impact on retirees and their health benefits)
- Simple process for initial trust set-up and funding (sooner vs. later)

Of significant importance in choosing the CERBT program was the overall cost of establishing and administering a trust. The overall cost consideration included direct cost to the City (as a percentage of assets on hand) as well as indirect costs associated with Pico Rivera staff time needed to set-up and manage the trust. Related to this is the ease

of administration. Given the limited number of dedicated treasury, benefits and payroll staff in Finance, it is imperative that the trust be simple to administer.

CERBT also has the benefit of not having to establish a separate “custodial” banking relationship for the deposit, management and investment of funds. With CERBT, all annual payments are sent directly to the PERS CERBT office. There is no need to set up a trustee account with another bank or financial institution, thus saving set-up time, streamlining long-term administration, and most importantly saving money (fewer “administrators” means lower overhead).

A final and very important consideration is the investment strategies offered by CERBT. CERBT offers three different investment strategies (see attached investment strategy summaries); all centered around varying mixes of equities and fixed income investments. Strategy 1 aims for a long-term 7.28% rate of return, Strategy 2 has a 6.73% target and Strategy 3 has a goal of 6.12% return.

One of the primary benefits of using a trust is the higher rate of return which the required GASB 45 valuation utilizes when computing unfunded actuarial accrued liability (UAAL). The most recent GASB 45 actuarial valuation by Bartel and Associates (June 30, 2015) utilized a 4.00% discount rate (a standard assumption for “pay as you go” plans).

My recommendation would be to utilize Strategy 1, a 60/40 split between equities and fixed income investments. The benefits of utilizing the assumed 7.28% return, coupled with having assets on hand, would significantly lower the City’s UAAL from \$39.860 million to an estimated \$25.404 million. Pre-funding the trust (discussed below) would lower the UAAL even further.

Recommendations – Pre-Funding Strategy

As mentioned previously, the City is fortunate to have set-aside funding in the General Fund earmarked for “OPEB Liabilities.” However, these reserves could be re-allocated by City Council action and those funds used for other purposes. Establishing the trust allows the City to transfer a portion of the OPEB reserve in the General Fund (approximately \$5.7 million) to the CERBT program, where those funds can only be utilized for current and future OPEB costs.

Staff is recommending, once the trust is approved and established, to use anywhere between \$2.0 and \$4.0 million of the approximately \$5.7 million currently reserved for OPEB liabilities to immediately pre-fund the trust. Staff is working with the City’s actuary (Bartel and Associates) to determine an appropriate amount for pre-funding. Whatever the amount decided upon – between \$2.0 and \$4.0 million—it would be sent to the CERBT program over the course of a twelve month period, making quarterly payments to take advantage of a basic investment strategy called “dollar cost averaging.”

The amount remaining after the initial pre-funding would remain earmarked to use for future funding of the trust. Once the trust is established, a funding schedule would be prepared and presented to the City Council that would outline – over a 5-7 year period – the rate of pre-funding and what additional “lump sum” deposits could be made to the trust, with the goal of utilizing the entire \$5.7 million in the most prudent and financially responsible manner over a 5-7 year period.

In addition, it is recommended to utilize Strategy 1 for investing the pre-funding assets as well as all future contributions. The higher discount rate of Strategy 1 (vs. the assumed discount rate used by the last actuarial valuation) would further lower the City’s UAAL while being invested wisely and at low risk.

Next Steps

Outlined below is a suggested timeline for establishing the trust:

- October 11 – Provide trust overview and analysis memo to the City Council for review
- October 25 – City Council action approving trust and amending budget to make pre-funding deposit
- Early November – make first pre-funding payment to CERBT, schedule three subsequent quarterly deposits over a 12 month period
- Spring 2017 – return to City Council with a 5-7 year funding plan to utilize entire \$5.7 million in OPEB reserves to increase assets in the trust



René Bobadilla

RB:MS:es

cc: Director of Finance