COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

May 2, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

AMENDMENT NUMBER TWO TO THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF PALOS VERDES ESTATES (FOURTH DISTRICT) (3 VOTES)

IT IS RECOMMENDED THAT YOUR HONORABLE BOARD, ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:

1) Find that Amendment Number Two to the Agreement for Services, by and between the Consolidated Fire Protection District of Los Angeles County ("District") and the City of Palos Verdes Estates ("City") is exempt from the California Environmental Quality Act (CEQA).

2) Approve and instruct the Mayor of the Board to sign Amendment Number Two to the Agreement for Services, by and between the District and the City.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The City entered into an agreement with the District effective June 30, 1986 wherein the District provides fire protection, hazardous materials, emergency medical and all related services to the City (Agreement Number 52317). Amendment Number One to the Agreement was adopted by your Honorable Board April 9, 1996. Among other things, Amendment Number One extended the Agreement for an additional ten-year term and imposed a payment cap on the annual increase to the annual fee amount from the previous year.

This proposed Amendment Number Two to the Agreement for Services would extend the Agreement term an additional ten years and modify fee calculations in regards to the annual payment cap.

FISCAL IMPACT/FINANCING

None.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This Amendment Number Two would provide for the following:

- Extends the Agreement term an additional ten years commencing June 30, 2006.
- Changes the calculation of the annual fee limitation cap from the two options imposed by Amendment Number One, to 4.2% per fiscal year for the five-year period beginning July 1, 2006. For each subsequent fiscal year, the cap shall be the average of the immediately preceding five fiscal years plus one percent (1%).

County Counsel has approved Amendment Number Two as to form. The City Council of Palos Verdes Estates approved this Amendment Number Two on March 28, 2006.

IMPACT ON CURRENT SERVICES OR PROJECTS

None.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines, as it addresses incidental matters related to the provision of services and thus it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. A Notice of Exemption is attached.

CONCLUSION

Please instruct the Executive Officer, Clerk of the Board to return two (2) fully executed originals of Amendment Number Two, two (2) copies of the executed Amendment and two (2) adopted copies of this Board letter to the District. The District will forward one of the fully executed originals to the City for their records.

Respectfully submitted,

P. MICHAEL FREEMAN

PMF:lb

Attachments

c: Chief Administrative Officer
County Counsel

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 212
Sacramento, CA 95812-3044

☑ County Clerk
County of Los Angeles

From: (Public Agency) Cons. Fire Prot. District
1320 N. Eastern Avenue
Los Angeles, CA 90063
(Address)

Project Title: Amendment No. 2 to the Agreement for Services Between the City of Palos Verdes Estates and the Cons. Fire Protection Dist. of Los Angeles County

Project Location - Specific:

The City of Palos Verdes Estates

Project Location – City: Palos Verdes Estates **Project Location – County:** Los Angeles

Description of Project:

Amends the Agreement for services to extend the agreement term and change certain fee calculations.

Name of Public Agency Approving Project: Los Angeles County Board of Supervisors

Name of Person or Agency Carrying Out Project: Cons. Fire Prot. District of Los Angles County

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:
- ☑ Statutory Exemptions. State code number:

Reasons why project is exempt:

Persuant to Section 15061 (b)(3), this project is not subject to CEQA as it can be seen with certainty that there is no possibility that it may have a significant effect on the environment.

Lead Agency Contact Person: Lorraine Buck Area Code/Telephone/Extension: 323 881-2404

If filed by applicant:

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

Signature: [signature] Date: 4/11/06 Title: Chief, Forestry Div.

☐ Signed by Lead Agency Date received for filing at OPR:

☑ Signed by Applicant

January 2004

AMENDMENT NUMBER TWO TO THE ANNEXATION AGREEMENT BETWEEN THE CITY OF PALOS VERDES ESTATES AND THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

THIS AMENDMENT NUMBER TWO to the Annexation Agreement between the CITY OF PALOS VERDES ESTATES, hereinafter referred to as "CITY", and the CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as "DISTRICT", dated May 1, 1986, hereinafter referred to as "Agreement", is made and entered into this _____ day of _____, 2006, by and between the CITY and the DISTRICT.

W I T N E S S E T H

WHEREAS, the CITY and the DISTRICT entered the Agreement pursuant to which the DISTRICT provides fire protection, emergency medical, and related services to the CITY; and

WHEREAS, such Agreement was amended on April 9, 1996, by Amendment Number One to the Agreement to extend the term of the Agreement for a minimum of 10 years commencing on June 30, 1996, and to change other terms as stated in the Amendment Number One to the Agreement; and

WHEREAS, the CITY and the DISTRICT are desirous of modifying the Agreement, as amended by Amendment Number One to the Agreement, to change certain fee calculations and to extend the Agreement for an additional ten-year term. This Amendment Number Two shall supercede Amendment Number One as to the fee calculation and the Agreement term.

NOW, THEREFORE, IN CONSIDERATION of the promises, covenants, representations and agreements set forth herein, the parties mutually agree as follows:

I. SECTION I of the Agreement is amended and restated to read as follows:

SECTION I. OPERATIVE DATE AND WITHDRAWAL FROM DISTRICT

(A) This Agreement shall be deemed operative as of the effective date of annexation of the CITY to the DISTRICT. All terms and conditions of this Agreement, as amended by Amendment Number One and this Amendment Number Two (hereinafter collectively

"Amended Agreement"), shall remain in full force and effect for a period of ten (10) years commencing on June 30, 2006, and thereafter shall continue in full force and effect until such time as this Amended Agreement is terminated or otherwise renegotiated.

(B) After the end of the ten-year extension period, June 30, 2016, either party may terminate this Amended Agreement on at least one year's written notice to the other.

(C) A review of this Amended Agreement and any subsequent amendments may be initiated at any time, by either party, upon written notice to the other; and modifications may be made to this Amended Agreement in writing signed by both parties.

II. SECTION III, Paragraph (D) of the Agreement is amended and restated to read as follows:

(D) It is understood and agreed that the DISTRICT shall estimate the annual fee for rendering services within the CITY for each ensuing DISTRICT fiscal year and shall submit an estimated Annual Fee for Rendering Services to the CITY as detailed on and in the format of Schedule 1, as amended on April 9, 1996, hereafter referred to as "amended Schedule 1", no later than April 15 of the preceding fiscal year. This estimated Annual Fee shall include estimated costs of salary and employee benefits and overhead.

1. The District shall invoice the City monthly for one-twelfth of the said estimated Annual Fee. The CITY, by the first day of each month, in advance, shall pay the DISTRICT one-twelfth of said estimated Annual Fee, which monies shall be held and used by the DISTRICT in the performance of such services. A late payment charge of two percent (2%) per month shall be added to any late payment that is received by the DISTRICT after the last day of the calendar month in which payment is due. However, the penalty herein provided may be waived, whenever the Fire Chief in his discretion finds late payment is excusable by reason of extenuating circumstances.

Invoices and general notices shall be sent to CITY at:

City of Palos Verdes Estates
City Manager
340 Palos Verdes Drive West
Palos Verdes Estates, CA 90274

Payments shall be sent to DISTRICT at:

Los Angeles County Fire Department
P. O. Box 54740
Los Angeles, CA 90054-0740

General notices shall be sent to DISTRICT at:

Fire Chief P. Michael Freeman
Los Angeles County Fire Department
1320 North Eastern Avenue
Los Angeles, CA 90063-3294

Either party shall notify the other, in writing, of an address change.

2. Within 20 days from the date actual budget information is available, the DISTRICT shall provide to the CITY a statement of the actual Annual Fee for Rendering Services in the same format as set forth in amended Schedule 1. If the actual Annual Fee is less than the estimated Annual Fee, the DISTRICT shall credit CITY for the difference, which amount shall be deducted from the first monthly invoice and, if applicable, the following monthly invoices subsequent to the statement of the actual Annual Fee. If the actual Annual Fee is greater than the estimated Annual Fee, the additional amount due DISTRICT will be paid by CITY during the subsequent fiscal year as follows: one-twelfth (1/12) of such additional Annual Fee amount due DISTRICT shall be added and paid in each of CITY's subsequent twelve (12) monthly payments.

III. SECTION III, Paragraph (F), previously added to the Agreement pursuant to Amendment Number One, is amended and restated to read as follows:

(F) A limitation shall be placed on increases in the amount of actual Annual Fee to be paid by the CITY each year, hereinafter referred to as "Annual Fee Limitation," as follows:

a) During the five-year period beginning July 1, 2006, the Annual Fee Limitation shall be four and two-tenths percent (4.2%) per fiscal year. For each subsequent fiscal year beginning July 1, 2011, the Annual Fee Limitation shall be the average of the immediately preceding five fiscal years' actual Annual Fee percentage increases plus one percent (1%).

b) In any fiscal year where the CITY's actual Annual Fee, as determined in

Section III (D) herein, exceeds the preceding fiscal year's actual Annual Fee plus the applicable Annual Fee Limitation, hereinafter referred to as "Annual Fee Limitation excess," payment of the Annual Fee Limitation excess shall be deferred to a subsequent future fiscal year where the actual Annual Fee is less than the Annual Fee plus the Annual Fee Limitation. The Annual Fee Limitation excess will be paid by CITY in any subsequent fiscal year(s) where the actual Annual Fee percentage increase from the preceding fiscal year is less than the Annual Fee Limitation for that fiscal year. The amount of any unpaid Annual Fee Limitation excess to be paid by CITY in any single year when added to the actual Annual Fee increase for that year shall not exceed the Annual Fee plus the Annual Fee Limitation. One-twelfth (1/12) of such Annual Fee Limitation excess shall be added and paid in each of CITY's twelve (12) monthly payments for the subsequent fiscal year to which the Annual Fee Limitation excess is deferred.

For purposes of calculation of the Annual Fee Limitation, the Annual Fee shall not include any refunds, rebates, or credits to the CITY of any kind or any charges to the CITY outside of and not contained in the calculation method as detailed on amended Schedule 1.

Any increases in costs necessitated or mandated by legislative or judicial decisions or actions, other than penalties or fines due to negligence of the DISTRICT, shall not be subject to the Annual Fee Limitation and shall be due in any fiscal year in which they are incurred.

In the event CITY detaches from the DISTRICT, any unpaid Annual Fee Limitation excess together with any outstanding Annual Fee payments due by the CITY as of the effective date of the detachment shall be paid to the DISTRICT no later than the effective date of detachment. Should a credit be due the CITY from DISTRICT, a refund shall be paid to CITY no later than the effective date of detachment.

In the event DISTRICT terminates this Amended Agreement, any unpaid Annual Fee Limitation excess shall be due and payable to the DISTRICT within two years from the effective date of termination.

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IV. All other terms and conditions of the Agreement, as amended by Amendment Number One, shall remain the same and in full force and effect.

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IN WITNESS WHEREOF, the City of Palos Verdes Estates has caused this Amendment Number Two to the Annexation Agreement to be executed by its duly authorized officer; and the Board of Supervisors of the County of Los Angeles, as the governing body of the Consolidated Fire Protection District of Los Angeles County, has caused this Amendment Number Two to the Annexation Agreement to be executed by its Mayor and attested by its Clerk, on the day, month, and year noted herein below.

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

By _____
Mayor, Board of Supervisors

ATTEST:

JOANNE STURGES, Acting Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

(SEAL)

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

CITY OF PALOS VERDES ESTATES

By _____
Mayor

ATTEST:

By _____
City Clerk

(SEAL)

APPROVED AS TO FORM:

By _____
City Attorney

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AMENDED SCHEDULE 1
ESTIMATED 1995-96 ANNUAL FEE
CITY OF PALOS VERDES ESTATES

The estimated Fiscal Year 1995-96 annual fee for the City of Palos Verdes Estates will be as follows. An actual annual fee will be submitted to the City when all final figures are available.

Station	Equipment	Staffing[1]	Computation of estimated City Annual Fee
Station 2 340 Palos Verdes Drive West	Engine Paramedic Squad	3 2	$1,023,315 669,954
Total Salary & Employee Benefits		**5**	**$1,693,269**
Overhead @ 29.4651%[2]			**$498,923**
Estimated 1995-96 City Annual Fee			**$2,192,192**

F:BH:SCHED1.PVE

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[1]Constant staffing--number of persons always on duty.

[2]The definition of "District Overhead" is any actual Salary and Employee Benefits, Services and Supplies, Fixed Assets, and other charges expended by the District that are not identified as a separate charge in the City Annual Fee. The overhead percentage is a five-year average based on actual expenditures.