

1 AMENDMENT NUMBER ONE TO THE  
2 ANNEXATION AGREEMENT BETWEEN THE CITY OF PALOS VERDES ESTATES  
3 AND THE CONSOLIDATED FIRE PROTECTION DISTRICT OF  
4 LOS ANGELES COUNTY  
5

6 This Amendment Number One to the Annexation Agreement between the CITY OF PALOS  
7 VERDES ESTATES, hereinafter referred to as "CITY", and the CONSOLIDATED FIRE  
8 PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as  
9 "DISTRICT", dated May 1, 1986, hereinafter referred to as "Agreement" is made and  
10 entered into this 9th day of April, 1996, by and between the CITY and  
11 the DISTRICT.  
12

13 WITNESSETH:

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

17 WHEREAS, the initial term of the Agreement, which was effective June 30, 1986, is  
18 for a period of ten years; and

19 WHEREAS, the CITY desires to extend the term of the Agreement for an additional  
20 ten year period; and

21 WHEREAS, the CITY has requested certain modifications to the Agreement for the  
22 subsequent ten year Agreement extension term.

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

25 I. Section I.(A) is added to the Agreement to read as follows:

26 ///



1 by the DISTRICT in the performance of such services. A late payment charge of two  
2 percent (2%) per month shall be added to any late payment that is received by the  
3 DISTRICT after the last day of the calendar month in which payment is due. However, the  
4 penalty herein provided may be waived, whenever the Fire Chief in his discretion finds late  
5 payment excusable by reason of extenuating circumstances. Within 20 days from the date  
6 actual budget information is available, the DISTRICT shall provide to the CITY a statement  
7 of the Actual Annual Fee for Rendering Services in the same format as described on  
8 amended Schedule 1. The CITY's first payment after receiving the statement of the actual  
9 annual fee shall include any adjustments necessitated by differences between the actual annual  
10 fee and the estimated annual fee.

11 III. SECTION III, Paragraph (F) is added to the Agreement to read as follows:

12 (F) A limitation shall be placed on the amount to be paid by the CITY each year on  
13 increases in the amount of the actual annual fee from the preceding year, hereinafter referred  
14 to as "Annual Fee Limitation." Annual Fee Limitation Option A as described herein shall be  
15 utilized each year unless the CITY has notified DISTRICT in writing prior to May 1 of each  
16 fiscal year that it chooses to exercise Annual Fee Limitation Option B for the ensuing fiscal  
17 year.

18 1. Annual Fee Limitation Option A -

19 a) During the five-year period beginning July 1, 1996, the Annual Fee  
20 Limitation shall be six and one-half percent (6.5%) per fiscal year. For each  
21 subsequent fiscal year beginning July 1, 2001, the Annual Fee Limitation shall  
22 be the average of the immediately preceding five years' actual annual fee  
23 percentage increases plus one percent (1%).

24 b) In any fiscal year where the CITY's actual annual fee, as  
25 determined in Section III (D) herein, exceeds the preceding year's actual  
26 annual fee plus the applicable Annual Fee Limitation, hereinafter referred to as  
27

28  
*These are the 3 years that the  
16.5% increase is applied to which  
is being used to determine the Special Fee*

1 "Annual Fee Limitation excess," payment of the Annual Fee Limitation excess  
2 shall be deferred to a subsequent future fiscal year(s) where the actual annual  
3 fee percentage increase is less than the Annual Fee Limitation. The Annual  
4 Fee Limitation excess will be paid by CITY in any subsequent fiscal year(s)  
5 where the actual annual fee percentage increase is less than the Annual Fee  
6 Limitation for that fiscal year. The amount of any unpaid Annual Fee  
7 Limitation excess to be paid by CITY in any single year when added to the  
8 actual Annual Fee increase shall not exceed the Annual Fee Limitation.

9 2. Annual Fee Limitation Option B -

10 a) Upon written notification by the CITY to the DISTRICT by May 1  
11 of the preceding fiscal year, the Annual Fee Limitation for the ensuing fiscal  
12 year shall be limited to 5.5%.

13 b) In any fiscal year where the CITY's actual annual fee, as  
14 determined in Section III (D) herein, exceeds the preceding year's actual  
15 annual fee plus the 5.5% Annual Fee Limitation, hereinafter referred to as  
16 "5.5% Annual Fee Limitation excess," the 5.5% Annual Fee Limitation excess  
17 shall be deferred for a period of two (2) fiscal years. The 5.5% Annual Fee  
18 Limitation excess shall be invoiced by DISTRICT prior to the first day of the  
19 second to the last month of the two year deferral period and paid by CITY  
20 prior to the first day of the last month of the two year deferral period.

21 c) During any fiscal year in which the CITY has chosen to exercise  
22 Option B, if the actual Annual Fee increase is less than 5.5%, any Annual Fee  
23 Limitation excess accumulated under Option A shall be invoiced by DISTRICT  
24 and paid by CITY during such fiscal year in which the Annual Fee increase is  
25 less than 5.5%. The amount of Annual Fee Limitation excess accumulated  
26 under Option A to be paid by CITY in any such single fiscal year when added  
27

1 to the actual Annual Fee increase shall not exceed the 5.5% Annual Fee  
2 Limitation for that fiscal year.

3 d) In any fiscal year, if the actual annual fee is in excess of the estimated annual  
4 fee provided by the DISTRICT by 2% or more, the CITY shall have the option to  
5 revert to Option A by notifying the DISTRICT in writing within thirty (30) days of  
6 the date of the Actual Fee Statement that it chooses to revert to Option A.

7 e) Should the CITY revert to Option A pursuant to paragraph d above in any  
8 fiscal year, the difference between the annual fee as calculated using the 5.5% annual  
9 fee cap and the annual fee calculated using the 6.5% annual fee cap will be divided  
10 equally among the number of remaining months of that fiscal year and added to the  
11 CITY's monthly payments remaining in that fiscal year.

12 Both Annual Fee Limitation options shall apply only to increases in the amount of  
13 salary, employee benefits, and overhead charged to the CITY from the previous fiscal year  
14 based on the staffing level as stated in amended Schedule 1 hereto. Any refunds or credit to  
15 the CITY by the DISTRICT, including but not limited to refunds or credits associated with  
16 the Los Angeles County Employees Retirement Association, hereinafter referred to as  
17 "LACERA" shall not be considered by the DISTRICT when calculating the total annual fee  
18 increase for any given fiscal year.

19 Should any annual refund or credit associated with LACERA be due the CITY while  
20 there is Annual Fee Limitation excess balances due the DISTRICT, under either Option A or  
21 Option B, the DISTRICT shall retain any such refund or credit up to the amount of the then  
22 existing CITY's Annual Fee Limitation excess. The CITY's Annual Fee Limitation excess  
23 shall be reduced accordingly. DISTRICT shall notify CITY of the amount of said refund or  
24 credit retained by DISTRICT and credited to any Annual Fee Limitation excess balance.

25 Any increases in costs necessitated or mandated by legislative or judicial decisions or  
26 actions, other than penalties or punitive damages due to negligence of DISTRICT, shall not  
27

1 be subject to either of the Annual Fee Limitation options and the costs shall be due in any  
2 fiscal year in which they are incurred.

3 In the event CITY withdraws from the DISTRICT, any unpaid Annual Fee Limitation  
4 excess shall be due and payable to the DISTRICT no later than the effective date of  
5 withdrawal. Should a credit be due the CITY from DISTRICT, a refund shall be paid to  
6 CITY no later than the effective date of withdrawal.

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

10 IV. SECTION V, Paragraph (F) is added to the Agreement to read as follows:

11 (F) The CITY shall install a new heating and air conditioning system for CITY  
12 fire station, at no cost to the DISTRICT, substantially in conformance with the bid  
13 specifications prepared in 1993. All improvements shall be in compliance with building code  
14 requirements.

15 V. SECTION V, Paragraph (F) to the Agreement shall be renumbered as Paragraph (G).

16 VI. All other terms and conditions of the Agreement shall remain the same and in full  
17 force and effect.

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27

28

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

7  
8 CITY OF PALOS VERDES ESTATES

CONSOLIDATED FIRE PROTECTION  
DISTRICT OF LOS ANGELES COUNTY

9  
10 Raymond Matteringly  
11 Mayor

Mike Antonovich  
Chair, Board of Supervisors

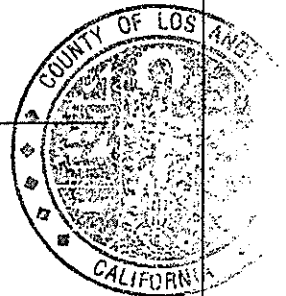
12  
13 ATTEST:

ATTEST:

14  
15 JOANNE STURGES, Executive Officer  
Clerk of the Board of Supervisors

16  
17 By Barbara J. Leebur  
City Clerk

By Heather Villalobos  
Deputy



18  
19 APPROVED AS TO FORM:

APPROVED AS TO FORM:

20 DE WITT W. CLINTON, County Counsel

21  
22 By Stephen K. Scher  
City Attorney

By Eric Young  
Deputy

23  
24 F:bb:PVAMENDS.AGR (2/1/96)

25  
26 **ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

27 22 11

APR 9 1996

28 7

Joanne Sturges  
JOANNE STURGES  
EXECUTIVE OFFICER

**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.

<u>Station</u>	<u>Equipment</u>	<u>Staffing<sup>1</sup></u>	<u>Computation of estimated City Annual Fee</u>
Station 2	Engine	3	\$1,023,315
340 Palos Verdes Drive West	Paramedic Squad	<u>2</u>	<u>\$ 669,954</u>
<b>Total Salary &amp; Employee Benefits</b>		<b>5</b>	<b>\$1,693,269</b>
<b>Overhead @ 29.4651%<sup>2</sup></b>			<b>\$498,923</b>
<b>Estimated 1995-96 City Annual Fee</b>			<b>\$2,192,192</b>

F:BH:SCHED1.PVE

---

<sup>1</sup>Constant staffing--number of persons always on duty.

<sup>2</sup>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.



**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.

<u>Station</u>	<u>Equipment</u>	<u>Staffing<sup>1</sup></u>	<u>Computation of estimated City Annual Fee</u>
Station 2	Engine	3	\$1,023,315
340 Palos Verdes Drive West	Paramedic Squad	<u>2</u>	<u>669,954</u>
<b>Total Salary &amp; Employee Benefits</b>		<b>5</b>	<b>\$1,693,269</b>
<b>Overhead @ 29.4651%<sup>2</sup></b>			<b>\$498,923</b>
<b>Estimated 1995-96 City Annual Fee</b>			<b>\$2,192,192</b>

F:BH:SCHED1.PVE

---

<sup>1</sup>Constant staffing--number of persons always on duty.

<sup>2</sup>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.