

**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>

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<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.

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

5 **THIS AMENDMENT NUMBER TWO** to the Annexation Agreement between the CITY  
6 OF PALOS VERDES ESTATES, hereinafter referred to as "CITY", and the CONSOLIDATED FIRE  
7 PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as "DISTRICT",  
8 dated May 1, 1986, hereinafter referred to as "Agreement", is made and entered into this  
9 2nd day of MAY, 2006, by and between the CITY and the DISTRICT.

10  
11 **WITNESSETH**

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

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

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

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

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

25 **SECTION I. OPERATIVE DATE AND WITHDRAWAL FROM DISTRICT**

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

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

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

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

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

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

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

25 Invoices and general notices shall be sent to CITY at:

26 City of Palos Verdes Estates  
27 City Manager  
28 340 Palos Verdes Drive West  
Palos Verdes Estates, CA 90274

1 Payments shall be sent to DISTRICT at:

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

5 General notices shall be sent to DISTRICT at:

6 Fire Chief P. Michael Freeman  
7 Los Angeles County Fire Department  
8 1320 North Eastern Avenue  
9 Los Angeles, CA 90063-3294

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

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

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

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

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

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

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

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

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

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

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

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

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

7  
8 **CONSOLIDATED FIRE PROTECTION  
DISTRICT OF LOS ANGELES COUNTY**

**CITY OF PALOS VERDES ESTATES**

9  
10 By *Mike Antonovich*  
11 Mayor, Board of Supervisors

By *Joanmary Hughes*  
Mayor

12  
13 **ATTEST:**  
14 **SACHI A. HAMAI** EXECUTIVE OFFICER  
15 ~~JOANNE STURGES~~, Acting Executive Officer  
16 Clerk of the Board of Supervisors

**ATTEST:**  
By *Joanmary Hughes*  
City Clerk

17 By *[Signature]*  
18 Deputy



(SEAL)

(SEAL)

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22 **APPROVED AS TO FORM:**  
23 **RAYMOND G. FORTNER, JR.**  
24 County Counsel

**APPROVED AS TO FORM:**

25 By *Eric Yoff*  
26 Deputy

By *Stephanie R. Scher*  
City Attorney

**ADOPTED**  
BOARD OF SUPERVISORS

27  
28 F:\PLANNING\PVE\Amend No 2 - Final.doc (3-17-2006)

# 36           MAY 02 2008

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER