

# CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Adjourned Regular Meeting  
Wednesday, June 29, 2016  
2:00 p.m.

Laguna Woods Village Community Center  
Board Room  
24351 El Toro Road  
Laguna Woods, California 92637

Noel Hatch  
Mayor

Shari L. Horne  
Mayor Pro Tem

Cynthia Conners  
Councilmember



Bert Hack  
Councilmember

Carol Moore  
Councilmember

***Welcome to a meeting of the Laguna Woods City Council!***

***This meeting may be recorded, televised, and made publically available.***

**Public Comments:** Persons wishing to address the City Council are requested to complete and submit a speaker card to City staff. Speaker cards are available near the entrance to the meeting location. Persons wishing to address the City Council on an item appearing on this agenda will be called upon at the appropriate time during the item's consideration. Persons wishing to address the City Council on an item *not* appearing on the agenda will be called upon during the "Public Comments" item. Persons who do not wish to submit a Speaker Card, or who wish to remain anonymous, may indicate their desire to speak from the floor. Speakers are requested, but not required, to identify themselves.

**Americans with Disabilities Act (ADA):** It is the intention of the City to comply with the ADA. If you need assistance to participate in this meeting, please contact either the City Clerk's Office at (949) 639-0500/TTY (949) 639-0535 or the California Relay Service at (800) 735-2929/TTY (800) 735-2922. The City requests at least two business days' notice in order to effectively facilitate the provision of reasonable accommodations.

REGULAR MEETING SCHEDULE

The Laguna Woods City Council regularly meets on the third Wednesday of each month at 2 p.m.

---

AGENDA POSTING AND AVAILABILITY

Regular and Adjourned Regular Meetings: Pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act, the City of Laguna Woods posts agendas at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website ([www.cityoflagunawoods.org](http://www.cityoflagunawoods.org)); and, at other locations designated by Resolution No. 02-33, at least 72 hours in advance of regular and adjourned regular meetings. Agendas and agenda materials are available at Laguna Woods City Hall during normal business hours and on the City’s website. Printed copies of agendas and agenda materials are provided at no charge in advance of meetings. After meetings have occurred, a per page fee is charged for printed copies.

Special and Emergency Meetings: Agenda posting and availability for special and emergency meetings is conducted pursuant to all applicable provisions of California Government Code (Ralph M. Brown Act).

---

AGENDA DISTRIBUTION LISTS

Electronic Distribution: The City of Laguna Woods provides notification of agenda posting and availability via email. To register to receive email notifications, please email [cityhall@cityoflagunawoods.org](mailto:cityhall@cityoflagunawoods.org) or contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535. Please note that the City is not responsible for, and makes no guaranties or warranties related to, the transmission or receipt of email notifications.

Mail Distribution: The City of Laguna Woods is able to mail agendas and/or agenda materials if provided with advance payment for postage and printing (if applicable). To request mail distribution, please email [cityhall@cityoflagunawoods.org](mailto:cityhall@cityoflagunawoods.org) or contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535.

---

FOR ADDITIONAL INFORMATION

For additional information, please contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535, [cityhall@cityoflagunawoods.org](mailto:cityhall@cityoflagunawoods.org), or 24264 El Toro Road, Laguna Woods, California 92637.

---

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS    )

I, Yolie Trippy, Deputy City Clerk, City of Laguna Woods, hereby certify under penalty of perjury that this agenda was posted at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website ([www.cityoflagunawoods.org](http://www.cityoflagunawoods.org)); and, at other locations designated by Resolution No. 02-33, pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act.

  
\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

6-24-16  
\_\_\_\_\_  
Date

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PLEDGE OF ALLEGIANCE**

**IV. PRESENTATIONS AND CEREMONIAL MATTERS**

4.1 Pride Month – June 2016

*Recommendation:* Approve and present the proclamation.

**V. PUBLIC COMMENTS**

About Public Comments: This is the time and place for members of the public to address the City Council on items *not* appearing on this agenda. Pursuant to State law, the City Council is unable to take action on such items, but may engage in brief discussion, provide direction to City staff, or schedule items for consideration at future meetings.

**VI. CONSENT CALENDAR**

About the Consent Calendar: All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, City staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

6.1 Fiscal Year 2015-16 Budget Adjustments

*Recommendation:* Approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, INCREASING THE ADOPTED FISCAL YEAR 2015-16 BUDGETS FOR THE GENERAL FUND AND SENIOR MOBILITY FUND AND AUTHORIZING EXPENDITURES FROM THE COMPENSATED ABSENCES RESERVE

6.2 Employee Positions, Compensation, and Benefits

*Recommendation:*

1. Approve a Customer Service Representative job classification.

AND

2. Approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ESTABLISHING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES

- 6.3 As Needed Financial Consulting Services

*Recommendation:* Approve an agreement with Irwin B. Bornstein for as needed financial consulting services and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

- 6.4 Household Hazardous Waste, Sharps, and Medicine Waste Handling Services

*Recommendation:* Approve an agreement with WM Curbside, LLC for household hazardous waste, sharps, and medicine waste handling services and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

- 6.5 As Needed Landscape Architecture and Forestry Services

*Recommendation:* Approve an extension of the agreement with NUVIS for as needed landscape architecture and forestry services and authorize the City Manager to execute the extension, subject to approval as to form by the City Attorney.

- 6.6 Senior Mobility Program Funding

*Recommendation:* Approve an amendment to the cooperative agreement between the City and the Orange County Transportation Authority for the Senior Mobility Program, and authorize the City

Manager to execute the amendment, subject to approval as to form by the City Attorney

6.7 Streetlight Maintenance Services

*Recommendation:* Approve an extension of the agreement with Peak Lighting & Electric for streetlight maintenance services and authorize the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.8 Landscape Maintenance Services

*Recommendation:* Approve an extension and amendment of the agreement with Nieves Landscape, Inc. for landscape maintenance services and authorize the City Manager to execute the extension and amendment, subject to approval as to form by the City Attorney.

6.9 General Municipal Election

*Recommendation:* Approve resolutions entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016 FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016 WITH THE STATEWIDE GENERAL ELECTION TO

BE HELD ON THE DATE PURSUANT TO §10403 OF THE ELECTION CODE

**VII. PUBLIC HEARINGS**

**VIII. CITY COUNCIL BUSINESS**

8.1 Fiscal Year 2016-17 Budget & Work Plan

*Recommendation:* Approve resolutions entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEAR 2016-17 BUDGET COMMENCING JULY 1, 2016 AND ENDING JUNE 30, 2017

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A SEVEN-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2016-17 THROUGH 2022-23 IN CONFORMANCE WITH MEASURE M2 REQUIREMENTS

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17 COMMENCING JULY 1, 2016 AND ENDING JUNE 30, 2017

**IX. CITY COUNCIL REPORTS AND COMMENTS**

About City Council Comments and Reports: This is the time and place for members of the City Council to provide reports on meetings attended including, but not limited to, meetings of regional boards and entities to which they have been appointed to represent the City and meetings attended at the expense of the City pursuant to California Government Code Section 53232.3. Members of the City Council may also make other comments and announcements.



*This page is intentionally blank.*

**4.1  
PROCLAMATION –  
PRIDE MONTH – JUNE 2016**

*This page is intentionally blank.*

**Proclamation  
City of Laguna Woods  
Pride Month  
June 2016**

**WHEREAS**, Laguna Woods draws strength and vitality from the diversity of those who live, work, visit, and otherwise contribute to our community; and

**WHEREAS**, diversity, tolerance, and respect are hallmarks of a civilized society and vital to maintaining the extraordinary character of our community; and

**WHEREAS**, there are residents, members of the business community, and others who are a part of the lesbian, gay, bisexual, and transgender community; and

**WHEREAS**, Pride Month is an opportunity to reflect on the ways that we can all come together with a commitment to mutual respect and understanding; and

**WHEREAS**, the City of Laguna Woods opposes discrimination in all its forms and supports the fair and equitable treatment of all people.

**NOW, THEREFORE, BE IT RESOLVED** that the Laguna Woods City Council does hereby proclaim June 2016 as “Pride Month” in the City of Laguna Woods and encourages individuals to fight prejudice and discrimination in their own lives and to treat others with dignity and respect.

Dated this 29<sup>th</sup> day of June, 2016

---

Noel Hatch  
Mayor

---

Attest: Yolie Trippy  
Deputy City Clerk

*This page is intentionally blank.*

**6.1-6.9**  
**CONSENT CALENDAR SUMMARY**

*This page is intentionally blank.*



# City of Laguna Woods

## Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** June 29, 2016 Adjourned Regular Meeting

**SUBJECT:** Consent Calendar Summary

---

### **Recommendation**

Approve all proposed actions on the June 29, 2016 Consent Calendar by single motion and City Council action.

### **Background**

All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

### **Summary**

The June 29, 2016 Consent Calendar contains the following items:

- 6.1 Approval of a resolution increasing the adopted Fiscal Year 2015-16 budgets for the General Fund and Senior Mobility Fund and authorizing expenditures from the Compensated Absences Reserve. The proposed resolution would authorize changes in appropriations necessary to accommodate expenses related to an unexpected increase in participation in the Senior Mobility Program due, in large part, to a temporary suspension of the subsidized transportation program offered by Age Well Senior Services. It would also authorize use of a portion of the Compensated Absences Reserve in order to offset an unexpected payment of accrued employee leave.

- 6.2 (1) Approval of a Customer Service Representative job classification and (2) approval of a resolution establishing a compensation schedule and benefits for City employees. The recommendation would define and authorize a new part-time Customer Service Representative position, eliminate the full-time Assistant City Manager position, clarify that the City Manager is able to fill any full-time position as a part-time or limited part-time position, increase the City Manager's salary from \$165,100 to \$172,313 based on the change in the Consumer Price Index (CPI) provided for in his employment agreement, and increase the salary range for the Administrative Services Director/City Treasurer position from \$98,020–\$137,228 to \$104,706–\$146,588 as a result of changes in duties caused by the elimination of the Assistant City Manager position. The proposed job classification and resolution are included in the agenda packet as attachments A and B, respectively.
- 6.3 Approval of an agreement with Irwin B. Bornstein for as needed financial consulting services and authorization for the City Manager to execute the agreement, subject to approval as to form by the City Attorney. Mr. Bornstein is a highly qualified financial professional and Certified Public Accountant (CPA). He earned a Master of Business Administration (MBA) degree from Stanford University and has worked in management roles for the cities of Anaheim, Whittier, and Mission Viejo, where he retired in 2011 as Assistant City Manager/Director of Administrative Services. Since then, Mr. Bornstein has provided as needed financial services to the City, as well as services to the cities of Laguna Niguel, Stanton, and Westminster. The proposed agreement would allow Mr. Bornstein to assist with budgeting, strategic financial planning, financial reporting, and other matters, as well as to provide financial services to the Laguna Woods Civic Support Fund.
- 6.4 Approval of an agreement with WM Curbside, LLC for household hazardous waste, sharps, and medicine waste handling services and authorization for the City Manager to execute the agreement, subject to approval as to form by the City Attorney. The proposed agreement would continue the services currently provided by WM Curbside, LLC and add a new Sharps Waste Drop Box Collection Service. WM Curbside, LLC would also be required to provide multilingual outreach materials and customer service personnel.
- 6.5 Approval of an extension of the agreement with NUVIS for as needed landscape architecture and forestry services and authorization for the City Manager to execute the extension, subject to approval as to form by the City

Attorney. The proposed extension is for a one-year period through June 30, 2017, as allowed for in the existing agreement.

- 6.6 Approval of an amendment to the cooperative agreement between the City and the Orange County Transportation Authority for the Senior Mobility Program, and authorization for the City Manager to execute the amendment, subject to approval as to form by the City Attorney. The proposed amendment would extend both primary and supplemental funding for the Senior Mobility Program from July 1, 2017 through June 30, 2021.
- 6.7 Approval of an extension of the agreement with Peak Lighting & Electric for streetlight maintenance services and authorization for the City Manager to execute the extension, subject to approval as to form by the City Attorney. The proposed extension is for a six-month period through December 31, 2016. The existing agreement ends on June 30, 2016. The City intends to conduct a competitive process to select future streetlight maintenance service provider(s) prior to the end of the proposed extension period.
- 6.8 Approval of an extension and amendment of the agreement with Nieves Landscape, Inc. for landscape maintenance services and authorization for the City Manager to execute the extension and amendment, subject to approval as to form by the City Attorney. The proposed extension is for a six-month period through December 31, 2016, as allowed for in the existing agreement. Rate increases are also included. The City intends to conduct a competitive process to select future landscape maintenance service provider(s) prior to the end of the proposed extension period.
- 6.9 Approval of two resolutions related to the November 8, 2016 General Municipal Election. The first proposed resolution would call and give notice of the election (Attachment A) and the second proposed resolution would request that the Orange County Board of Supervisors consolidate the election with the statewide general election to be held on the same date (Attachment B). As with previous elections, the proposed resolutions would also request that the County of Orange provide certain election services.

*This page is intentionally blank.*

6.1

**FISCAL YEAR 2015-16 BUDGET ADJUSTMENTS**

*This page is intentionally blank.*

**RESOLUTION NO. 16-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, INCREASING THE ADOPTED FISCAL YEAR 2015-16 BUDGETS FOR THE GENERAL FUND AND SENIOR MOBILITY FUND AND AUTHORIZING EXPENDITURES FROM THE COMPENSATED ABSENCES RESERVE

**WHEREAS**, the Fiscal Year 2015-16 Budget was adopted by the City Council on June 25, 2015; and

**WHEREAS**, City Council action is required to increase fund-level budget appropriations adopted as a part of the Fiscal Year 2015-16 Budget; and

**WHEREAS**, the City Council also approves department-level budget appropriations within the General Fund; and

**WHEREAS**, an increase in the Senior Mobility Fund budget is necessary in order to accommodate expenses related to an unexpected increase in participation in the Senior Mobility Program due, in large part, to a temporary suspension of the subsidized transportation program offered by Age Well Senior Services; and

**WHEREAS**, an increase in the General Fund budget is necessary in order to establish a corresponding internal transfer to the Senior Mobility Fund to offset the increase in the Senior Mobility Fund budget; and

**WHEREAS**, based on information currently available, it is anticipated that there will be sufficient Senior Mobility Program revenues in excess of Senior Mobility Program expenditures and General Fund operating revenues in excess of General Fund operating expenditures to accommodate the corresponding increases in appropriations; and

**WHEREAS**, partial expenditure of the Compensated Absences Reserve may also be necessary to offset an unexpected payment of accrued employee leave.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The Fiscal Year 2015-16 budget appropriation authorized, on a fund level, for the Senior Mobility Fund is hereby increased by \$72,000 from \$220,000 to \$292,000.

**SECTION 2.** The Fiscal Year 2015-16 budget appropriation authorized, on a department level, within the General Fund’s Transfers to Other Funds is hereby increased by a new and maximum amount of \$72,000. The actual transfer, to be made by City staff during the fiscal-year-end closing process, shall be to the Senior Mobility Fund and shall be limited to \$72,000, or the amount necessary to offset actual expenditures and maintain a fiscal-year-end fund balance of at least \$10,000, whichever is less.

**SECTION 3.** Expenditures of up to a maximum of \$30,000 are hereby authorized from the Compensated Absences Reserve to offset actual accrued employee leave payments. Such expenditures shall be considered non-operating and shall be made by City staff, as necessary, during the fiscal-year-end closing process.

**SECTION 4.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2016.

\_\_\_\_\_  
NOEL HATCH, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 16-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2016, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

---

YOLIE TRIPPY, Deputy City Clerk

*This page is intentionally blank.*

**6.2**  
**EMPLOYEE POSITIONS,  
COMPENSATION, AND BENEFITS**

*This page is intentionally blank.*



## **CITY OF LAGUNA WOODS JOB CLASSIFICATION**

**JOB TITLE:**                      **CUSTOMER SERVICE REPRESENTATIVE**

**SALARY RANGE:**                **\$15 – \$18 HOURLY**

**STATUS:**                         **NON-EXEMPT AND AT-WILL**

---

### **DEFINITION:**

Under general supervision, Customer Service Representatives perform customer service, clerical, and administrative tasks, often of a secretarial nature, at Laguna Woods City Hall including, but not limited to, answering telephones; greeting visitors and members of the public; providing public information; scheduling appointments; accepting and processing payments; accepting items and materials for recycling and disposal; scanning and filing records; and, setting up for and cleaning up after meetings and events.

### **ESSENTIAL DUTIES:**

The duties assigned include, but are not limited to, all of a variety of, the following:

- Provide services related to City Hall’s front counter operation, including reception, switchboard, scheduling, cashiering, administrative support, and clerical services.
- Receive and respond to public and private inquiries and complaints, including by providing information and referrals, as determined to be appropriate.
- Create, scan, file, and maintain physical and electronic records.
- Accept items and materials for recycling and disposal (e.g., handling of electronic waste, fluorescent light bulbs, batteries, medication, sharps, print cartridges, etc.).
- Prepare, compile, and disseminate qualitative and quantitative documentation and data, including correspondence, billing records, reimbursement records, reports, manuals, inventories, logs, photographs, and identification cards.

- Setup for and cleanup after meetings and events, including by moving, arranging, and configuring tables, chairs, computers, projectors, screens, microphones, and other equipment, as well as food, beverages, waste, and other items and materials.
- Provide support and relief coverage for City and department employees.
- Perform other related duties as assigned.

**MINIMUM QUALIFICATIONS:**

**Knowledge of:**

- Responsive customer service practices, including active listening.
- Modern office procedures, methods, and equipment, including computers.
- Principles of addition, subtraction, multiplication, and division.
- Principles and techniques of record keeping and filing.
- Principles and techniques of cashiering, including balancing receipts.

**Ability to:**

- Perform the essential duties described in this job classification in a professional, timely, and accurate manner with the referenced level and degree of supervision.
- Alphabetize, compare, count, differentiate, measure, assemble, sort, copy, record, classify, compute, tabulate, categorize, and transcribe data and information.
- Communicate effectively and concisely with persons with diverse backgrounds.
- Demonstrate an awareness and appreciation of local cultural diversity.
- Communicate in writing effectively and concisely, including with use of proper spelling, grammar, punctuation, and command of the English language.
- Maintain confidentiality and discretion when necessary.
- Maintain professional composure at all times, including when dealing with upset, hostile, and difficult interpersonal interactions.
- Understand, analyze, interpret, and apply data and information using established criteria, in order to determine consequences and identify and select alternatives.
- Understand, calculate, and interpret percentages, fractions, and ratios.

### **Education and Experience:**

Any combination of education and experience that provides the knowledge, skills, and abilities necessary for this position is qualifying. A typical way of obtaining the required qualifications is to possess a high school diploma (or equivalent) and three months of work or volunteer experience in a governmental or professional setting. Prior experience in a customer service or cashiering position is highly desirable.

### **Licenses/Certifications:**

Most possess and maintain a valid Class C California Driver's License and must qualify for and maintain insurability under the City's Vehicle Policy. This position involves the periodic performance of duties and travel that require operation of a personal vehicle.

### **PHYSICAL DEMANDS AND ENVIRONMENTAL SETTING:**

While performing the duties of this class, employees are frequently required to sit, stand, walk, talk, and hear; use hands to handle, manipulate, feel, move and operate equipment, tools, and controls; and, use hands and arms to reach. Specific vision abilities required include close, distance, peripheral, and color vision, depth perception, and the ability to adjust focus. Specific hearing abilities required include hearing in the normal audio range with or without correction. Most duties are performed while standing at a counter, which requires frequent walking and transitions from sitting in a sedentary manner at a desk to standing at a counter. Employees are frequently required to exert physical effort involving a combination of standing, walking, climbing, balancing, stooping, kneeling, and crouching, as well as carrying, lifting, pushing, and pulling objects up to 25 pounds.

While the duties of this class are primarily performed in an office setting with low to moderate noise and regular interruption, employees may also be frequently required to travel and work in other settings (e.g., meetings and events). Employees are required to handle and process, according to City protocols, items and materials for recycling and disposal including, but not limited to, certain types of electronic waste, fluorescent light bulbs, batteries, medication, sharps, and print cartridges that may result in exposure to odors, fumes, dust, hazardous substances, and other irritants.

### **Tools and Equipment:**

Must possess the knowledge and ability to effectively use computers, copiers, scanners, calculators, facsimile machines, microfilm readers, telephones, digital cameras, and other measuring devices to collect data and information. Ability to use computers includes the knowledge and ability to input, query, and maintain information in software such as Microsoft Windows, Outlook, Excel, PowerPoint, and Internet Explorer, as well as the City's cashiering and records software, as may change from time-to-time.

### **OTHER NOTICES:**

The duties listed above are intended only as illustrations of the various types of work that

may be performed. The omission of specific statements of duties does not exclude them from this position if the work is a similar, related, or logical assignment.

The selection process for this position will include fingerprinting; a State Department of Justice criminal background check; reference checks; confirmation of education claims, licenses, and certifications; and, a physical medical examination.

This position is not exempt under the Fair Labor Standards Act.

Pursuant to Government Code §36506, neither this job classification nor any other human resources rules or regulations shall be construed to provide employees with any tenure or property interest in employment with the City. All City employees serve “at will” and are subject to termination without cause at any time – no exceptions.

All City employees are designated Disaster Service Workers by both State law and City ordinance. Duties when serving as a Disaster Service Worker may be in locations, during hours, and performing work significantly different from the employee’s normal duties.

The City is an Equal Employment Opportunity employer and does not discriminate on the basis of race, color, religion, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, sexual orientation, pregnancy, childbirth, or related medical conditions, gender, gender identity or expression, genetic information, or age.

The City provides employment rights and non-discrimination on the basis of disability as established in the Americans with Disabilities Act. Reasonable accommodation may be made to enable a person with a disability to perform this position’s essential functions.

Additional human resources laws, rules, and regulations apply to this position.

City Council Approval: June XX, 2016

**RESOLUTION NO. 16-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ESTABLISHING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** Effective July 1, 2016, Resolution No. 16-05 is hereby repealed and replaced by this resolution.

**SECTION 2.** Effective July 1, 2016, the compensation schedule for City employees is established as follows:

Exempt Full-Time Employees (Annual Equivalent)

City Manager	\$172,313
Administrative Services Director/ City Treasurer	\$104,706 – \$146,588
Senior Management Analyst	\$71,232 – \$99,720
Management Analyst	\$63,372 – \$88,716
Deputy City Clerk	\$51,948 – \$72,727

Non-Exempt Full-Time Employees (Hourly Rate)

Senior Accountant	\$32.48 – \$45.47
Administrative Coordinator	\$22.40 – \$31.36
Accounting Clerk	\$18.93 – \$26.50

Non-Exempt Part-Time/Limited Part-Time Employees (Hourly Rate)

Customer Service Representative	\$15 – \$18
---------------------------------	-------------

The City Manager is authorized to hire, promote, and compensate employees within established compensation ranges, and to fill any full-time position as a part-time or limited part-time position, consistent with City Council-adopted budgets and this resolution.

**SECTION 3.** All employees who work 40 or more hours per week on a regularly assigned basis shall be considered “full-time employees” for the purpose of this resolution. Full-time employees shall receive the following benefits:

- A. Paid Holidays: The City shall observe the following holidays with full-time employees receiving compensation for hours that would otherwise regularly be worked: New Year’s Day, Martin Luther King’s Birthday, President’s Day, Memorial Day, Independence Day, Labor Day, Veteran’s Day, Thanksgiving, Friday after Thanksgiving, and December Holiday (December 24 through January 1). Except for December Holiday, which is observed on specified dates, when a holiday falls on a Saturday, it shall be observed the prior Friday; when a holiday falls on a Sunday, it shall be observed the following Monday.
- B. Retirement: All City employees, including full-time and part-time employees, are required to participate in the Social Security system. In addition, the City shall contract with the California Public Employees’ Retirement System (CalPERS) for retirement benefits for all eligible full-time employees. Full-time employees considered “classic” by CalPERS shall pay the 7% employee contribution pursuant to the terms of Resolution No. 12-18. Full-time employees considered “new members” by CalPERS shall pay the employee contribution rate established by CalPERS, as may change from time to time.
- C. Disability Insurance: The City shall contract for the provision of a long-term disability insurance program at no cost to employees, which shall provide full-time employees 60% of applicable salary amounts.
- D. Retiree Medical: As required by, and in an amount established by California Government Code Section 22892, the City shall contribute toward CalPERS retiree health insurance for retiring full-time employees who have worked for the City for a minimum of 10 years. Part-time service for employees who transition from part-time to full-time employment with the City may be used to meet the 10 year requirement, with each 174 hours counting as one month.
- E. Monthly Benefit Allowance: The City shall provide each full-time employee with a monthly benefit allowance of \$1,000 per month. A portion of the

allowance shall be allocated to pay for the employee assistance program and health insurance, as provided in this resolution. The remaining balance of the monthly benefit allowance may be allocated by the employee to (1) elect benefits available through the City's Section 125 Flexible Benefits Plan, in accordance with applicable plan documents; (2) make contributions to an ICMA-RC 457 Deferred Compensation Plan, in accordance with applicable plan documents; or, (3) purchase additional paid time off as provided in Subsection J of Section 3 of this resolution. Any amount of the monthly benefit allowance that remains after the allocations described above shall be forfeited. Full-time employees shall be required to make elections for the annual calendar year use of the entirety of monthly benefit allowances during an enrollment/election period established by the City Manager, as may change from time to time. Modifications of annual calendar year elections following any enrollment/election period shall be limited to qualifying events as set forth in applicable plan documents.

- F. Employee Assistance Program: The City shall contract for an employee assistance program; enrollment in the program shall be mandatory for all full-time employees. The cost of enrollment in the employee assistance program shall be deducted from each full-time employee's monthly benefit allowance.
- G. Health Insurance: All employees shall be covered by basic health insurance that qualifies as Minimum Essential Coverage under the Patient Protection and Affordable Care Act. The City shall contract for health insurance through CalPERS; enrollment in a CalPERS health plan shall be mandatory for all full-time employees unless proof of coverage under a qualifying, alternate basic health insurance is provided. The cost of enrollment in a CalPERS health plan shall be deducted from each full-time employee's monthly benefit allowance.
- H. Flexible Benefits Plan: The City shall contract for the provision of an Internal Revenue Code Section 125 Flexible Benefits Plan; enrollment in the plan shall be voluntary for all full-time employees. Full-time employees may contribute to the plan by electing to allocate a portion of their monthly benefit allowance and/or contributing through a salary reduction at their sole expense.
- I. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all full-time employees. Full-time employees may contribute to the plan by electing to allocate a portion of their monthly

benefit allowance and/or contributing through a salary reduction at their sole expense.

- J. **Paid Time Off:** Full-time employees shall accrue 160 hours per year of annual paid time off (leave), which may be used for doctors' appointments, personal and family sick time, bereavement leave, jury duty leave, vacation, and personal business. Hours earned are accrued on a pro-rata basis by pay period. Full-time employees may maintain a balance of no more than 480 hours of paid time off and shall be compensated for accrued paid time off in excess of 480 hours as of December 31 of each year following the end of each calendar year. Upon separation from the City, full-time employees shall be compensated for the balance of their accrued paid time off.

Full-time employees may also use their monthly benefit allowance to purchase up to 40 hours per year of additional paid time off. Full-time employees shall be required to make this election for the annual calendar year during an enrollment/election period established by the City Manager, as may change from time to time. Modifications of annual calendar year elections following any enrollment/election period shall be limited to qualifying events as set forth in applicable plan documents. If hours purchased are not used by plan year end, any related unused benefit allowance shall be forfeited.

**SECTION 4.** All employees who are not full-time employees, but who work 20 or more hours per week on a regularly assigned basis, shall be considered "part-time employees" for the purpose of this resolution. Part-time employees shall receive the following benefits:

- A. **Paid Holidays:** The City shall observe the following holidays with part-time employees receiving compensation for hours that would otherwise regularly be worked: New Year's Day, Martin Luther King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving, Friday after Thanksgiving, and December Holiday (December 24 through January 1). Except for December Holiday, which is observed on specified dates, when a holiday falls on a Saturday, it shall be observed the prior Friday; when a holiday falls on a Sunday, it shall be observed the following Monday.
- B. **Retirement:** All City employees, including full-time and part-time employees, are required to participate in the Social Security system. Part-time employees who work 1,000 hours or more in a fiscal year, shall be eligible for membership in CalPERS for retirement benefits. Eligible part-time employees

considered “classic” by CalPERS shall pay the 7% employee contribution pursuant to the terms of Resolution No. 12-18. Eligible part-time employees considered “new members” by CalPERS shall pay the employee contribution rate established by CalPERS, as may change from time to time.

- C. Retiree Medical: As required by, and in an amount established by California Government Code Section 22892, the City shall contribute toward CalPERS retiree health insurance for retiring full-time employees who have worked for the City for a minimum of 10 years. Part-time service for employees who transition from part-time to full-time employment with the City may be used to meet the 10 year requirement, with each 174 hours counting as one month.
- D. Employee Assistance Program: The City shall contract for an employee assistance program; enrollment in the program shall be mandatory for all part-time employees. The cost of enrollment in the employee assistance program shall be deducted from each part-time employee’s salary.
- E. Health Insurance: All employees shall be covered by basic health insurance that qualifies as Minimum Essential Coverage under the Patient Protection and Affordable Care Act. The City shall contract for health insurance through CalPERS; enrollment in a CalPERS health plan shall be mandatory for all part-time employees whose appointment with the City is intended to last more six months and whose time base is half-time or greater, unless proof of coverage under a qualifying, alternate basic health insurance is provided. The cost of enrollment in a CalPERS health plan shall be deducted from each part-time employee’s salary.
- F. Flexible Benefits Plan: The City shall contract for the provision of an Internal Revenue Code Section 125 Flexible Benefits Plan; enrollment in the plan shall be voluntary for all part-time employees. Part-time employees may contribute to the plan by contributing through a salary reduction at their sole expense.
- G. Deferred Compensation Plan: The City shall contract for the provision of an Internal Revenue Code Section 457 Deferred Compensation Plan; enrollment in the plan shall be voluntary for all part-time employees. Part-time employees may contribute to the plan by contributing through a salary reduction at their sole expense.
- H. Paid Time Off: Part-time employees shall accrue 24 hours per year of annual paid time off (leave), which may be used for personal illness, to care for a sick

family member, for preventive care or diagnosis, care or treatment of an existing health condition, or for specified purposes if the part-time employee is a victim of domestic violence, sexual assault, or stalking. The full amount of annual paid time off is accrued immediately following the first 90 calendar days of employment for new part-time employees and, thereafter, the full amount of annual paid time off is accrued as of each January 1. There is no accrual or carryover of paid time off between or across calendar years. Upon termination from the City, part-time employees shall not be compensated for the balance of their paid time off. If a part-time employee separates from and is rehired by the City within one year, previously accrued and unused paid time off shall be reinstated.

**SECTION 5.** All employees who are not full-time employees and who work less than 20 per week on a regularly assigned basis shall be considered “limited part-time employees” for the purpose of this resolution. Limited part-time employees shall receive the following benefits:

- A. **Paid Time Off:** Limited part-time employees shall accrue 24 hours per year of annual paid time off (leave), which may be used for personal illness, to care for a sick family member, for preventive care or diagnosis, care or treatment of an existing health condition, or for specified purposes if the limited part-time employee is a victim of domestic violence, sexual assault, or stalking. The full amount of annual paid time off is accrued immediately following the first 90 calendar days of employment for new limited part-time employees and, thereafter, the full amount of annual paid time off is accrued as of each January 1. There is no accrual or carryover of paid time off between or across calendar years. Upon separation from the City, limited part-time employees shall not be compensated for the balance of their paid time off. If a limited part-time employee separates from and is rehired by the City within one year, previously accrued and unused paid time off shall be reinstated.

**SECTION 6.** The Deputy City Clerk shall certify to the passage of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2016.

---

NOEL HATCH, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA        )  
COUNTY OF ORANGE        ) ss.  
CITY OF LAGUNA WOODS    )

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do  
HEREBY CERTIFY that the foregoing **Resolution No. 16-XX** was duly adopted by  
the City Council of the City of Laguna Woods at an adjourned regular meeting  
thereof, held on the XX day of XX 2016, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

*This page is intentionally blank.*

**6.3**  
**AS NEEDED FINANCIAL**  
**CONSULTING SERVICES**

*This page is intentionally blank.*

**CONSULTANT SERVICES AGREEMENT  
FOR AS NEEDED FINANCIAL SERVICES**

This Consultant Services Agreement for As Needed Financial Services (“Agreement”) is entered into by and between the CITY OF LAGUNA WOODS, a general law city of the State of California, (“City”) and IRWIN B. BORNSTEIN, an individual, (“Consultant”).

1. Services of Consultant. In compliance with all the terms and conditions of this Agreement, Consultant shall provide as needed financial services for the City, which may include finance, accounting, budget, purchasing, payroll/benefit administration, and other related services. Consultant shall have access to City support administrative staff as may be necessary to accomplish the tasks, directions, and service goals of the City, as the same are, and from time to time shall be, communicated to Consultant by the City’s City Manager. Consultant’s services to be performed may generally include, but not be limited to, the following:

- a) Assist City staff in preparing the City’s comprehensive annual financial reports, including providing audit support and participating in meetings.
- b) Assist City staff in preparing the City’s budgets and work plans, including developing revenue estimates, projecting expenditures, drafting narratives, and participating in meetings and public workshops.
- c) Assist City staff in developing policies and other items regarding strategic financial planning and the City’s planned transition to two-year budgets and work plans.
- d) Complete account analysis and reconciliation projects.
- e) Provide bookkeeping, cash handling, and financial reporting services for the Laguna Woods Civic Support Fund, a nonprofit public benefit corporation.
- f) Advise and make recommendations to the City’s City Manager and the City’s Administrative Services Director/City Treasurer on matters pertaining to the City’s financial services staffing patterns, service delivery arrangements with other independent contractors, systems, programs, policies, and procedures.
- g) Coordinate with the City’s City Attorney regarding legal aspects of the City’s operations, legal opportunities, and potential liabilities as pertain to financial services, and confer with legal counsel in making recommendations on legal matters to the City’s City Manager and City’s City Council.

2. City Contract Officer. The City’s City Manager shall be the Consultant’s primary point of contact with the City, and shall have primary responsibility for coordinating communications with Consultant.

3. Consultant Conflicts. Consultant is free to contract with other parties, apart from City, for the performance of any services Consultant offers, provided that such additional work or clientele of Consultant does not directly conflict with work Consultant is doing for the City. Consultant has provided a list of current clients to City, and City has agreed there are no

disabling conflicts with Consultant's continuance of the identified matters for such clients. If Consultant is retained by additional clients during the period of this Agreement, and the work such clients request of Consultant conflicts with work Consultant is performing for City, Consultant shall meet and confer with City prior to finalizing acceptance of the employment of the potentially conflicting matter.

4. Compensation. Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amount of Ninety Dollars (\$90.00) hourly. Consultant shall perform work only as requested by City.

a) No later than the 15<sup>th</sup> of each month Consultant shall furnish to City an **original** invoice for all work performed during the preceding month. The invoice shall detail charges by the categories required by City, which are subject to change at the discretion of City. City shall independently review each invoice submitted by the Consultant to determine whether the work performed is in compliance with the provisions of this Agreement. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (b). In the event that any charges are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission.

b) Except as to any charges for work performed incurred by Consultant which are disputed by City, City will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's invoice.

c) Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant, nor to constitute any waiver of any type of relief or remedy, legal or equitable, arising out of any breach or nonperformance of any aspect of the Agreement by Consultant.

d) Consultant shall provide his own automotive transportation, at his cost, for local travel, including travel to and from the City's offices and local meetings. Consultant shall be reimbursed for registration fees and/or lodging expenses for events Consultant is required by the City to attend only as may be approved by the City in writing prior to the time such expenses are incurred. Any such expenses shall be documented and billed at Consultant's actual cost, without increase or overhead charge.

e) Consultant's hourly compensation rate shall be "all inclusive." City shall not provide separate reimbursement for telephone, data, or Internet service; equipment; supplies; or, incidental expenses incurred in the performance of Consultant's services.

5. Standard of Performance. Consultant represents and warrants that he has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of his ability, experience and talent, perform all services described herein. In meeting his obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

6. Compliance with Applicable Laws. Consultant shall keep himself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

7. Nondiscrimination. Consultant shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition, sexual orientation, or marital status in connection with or related to the performance of this Agreement.

8. Term. This Agreement is effective beginning July 1, 2016, and shall continue until 11:59 p.m. on June 31, 2017 unless extended by mutual written agreement. This Agreement may be terminated by either party, with or without cause, upon no less than fifteen (15) days written notice to the other. In the event such termination, Consultant will be paid only for such portion of time actually worked, prior to the date of termination.

9. Prohibition Against Subcontracting or Assignment. Consultant shall not subcontract with any person or entity to perform, in whole or in part, the services required of Consultant herein without the prior express written approval of the City. Neither this Agreement, nor any interest herein, may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of the City. Any such prohibited assignment or transfer shall be void.

10. Independent Contractor. Consultant shall perform all work and services required hereunder as an independent contractor of the City, and shall remain under only such obligations as are consistent with that role. Consultant is not, and shall not at any time or in any manner during the course of this Agreement, represent that he is an employee of the City, and shall not be entitled to any employee benefits from City in any manner for the services Consultant is providing under this Agreement. Consultant may, but is not required to, utilize the facilities of the City, including City's offices, computers and e-mail service provider, in the performance of Consultant's duties hereunder.

11. Licenses, Permits and Fees. Consultant shall obtain and keep in effect, at all times during the term of this Agreement, and at his sole cost and expense, all such licenses, permits, or payment of fees as may be required by law for his performance of the services required under this Agreement.

12. Confidentiality.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager of City or his or her designee, except as may be required by law.

(b) Consultant shall not, without prior written authorization from the City Manager of City or his or her designee or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify City should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

13. Prohibition Against Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement, nor shall any such officer or employee participate in any decision relating to the Agreement which has a material financial effect on his or her "economic interest," as that term is defined under Title 2, California Code of Regulations, section 18703, and related provisions of law.

14. Non-Liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, in the event of any default or breach by the City, or for any amount that become due to the Consultant under the terms of this Agreement.

15. Notice. Any written notice, demand, request, consent, approval, or communication called for under this Agreement shall be either served personally or sent by pre-paid, first class mail to the following addresses:

If to City:                      City of Laguna Woods  
  Attn: City Manager  
  24264 El Toro Road  
  Laguna Woods, CA 92637

Copy to:                         David B. Cosgrove, Esq.  
  Rutan & Tucker, LLP



*This page is intentionally blank.*

6.4

**HOUSEHOLD HAZARDOUS WASTE, SHARPS,  
AND MEDICINE WASTE HANDLING SERVICES**

*This page is intentionally blank.*

**AGREEMENT FOR HOUSEHOLD HAZARDOUS, SHARPS,  
AND MEDICINE WASTE HANDLING SERVICES**

This Agreement (“Agreement”) is entered into to be effective as of the 1<sup>st</sup> day of July 2016, by and between the City of Laguna Woods (“City”) and WM Curbside, LLC (“Contractor”) (collectively, the “Parties”) to provide: (1) Household Hazardous Waste Door-to-Door Collection services to individuals residing in City Limits on an on-call basis, (2) Sharps Mail Back Collection services to individuals residing in City Limits on an on-call basis, (3) Medication Waste Drop Box Collection services at City Premises on an as requested basis, (4) Sharps Waste Drop Box Collection services at City Premises on an as requested basis, and (5) Non-Vehicle Battery Drop Box Collection services at City Premises on an as requested basis.

**SECTION 1.  
DEFINITIONS**

Whenever any term used in this Agreement has been defined by the California Public Resources Code, the definition of such term set forth therein shall apply unless the term is otherwise defined in this Agreement.

1.1 Affiliate

“Affiliate” means a business in which Contractor owns a direct or indirect ownership interest, a business (including corporations, limited and general partnerships and sole proprietorships) which has a direct or indirect ownership interest in Contractor and/or a business which is also owned, controlled or managed by any business or individual which has a direct or indirect ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that (i) “ten percent (10%)” shall be substituted for “fifty percent (50%)” in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater.

1.2 Applicable Laws

“Applicable Laws” shall mean all federal, state, county, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirements of any governmental agency having jurisdiction over an aspect of this Agreement that are in force on the Effective Date, and as may be enacted, issued or amended thereafter.

1.3 City

“City” shall mean the City of Laguna Woods, a municipal corporation, located in Orange County, California.

1.4 City Council

“City Council” shall mean the City Council of City.

1.5 City Limits

“City Limits” shall mean the territorial boundaries of the City together with all amendments and changes thereto, which boundaries are depicted on maps, incorporated herein by reference, that are kept on file in the office of the City Clerk of the City of Laguna Woods, and which are from time to time amended to reflect changes.

1.6 City Manager

“City Manager” shall mean the City Manager of the City of Laguna Woods or his or her designee.

1.7 City Premises

“City Premises” shall mean any Premises owned or operated by the City, including without limitation, City Hall.

1.8 Collect/Collection/Collecting

“Collect,” “Collection,” or “Collecting” shall mean to take physical possession of, transport, and remove Waste from a Premises.

1.9 Collection Vehicles

“Collection Vehicles” shall have the meaning ascribed in Section 7.1 of this Agreement.

1.10 Commercial Premises

“Commercial Premises” means Premises upon which business activity is conducted, including but not limited to retail sales, wholesale operations, manufacturing, industrial operations, and services, including, but not limited to, professional services, hospitality services, and restaurant and food services, but excluding Residential Premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Notwithstanding any provision to the contrary herein, in the Municipal Code, or otherwise, for purposes of this Agreement and to the extent permitted by law, Premises upon which assisted living facilities, community care facilities (and other similar types of facilities), hotels, and motels are operated shall be deemed to be Commercial Premises.

1.11 Contractor

“Contractor” shall mean WM Curbside, LLC or any party permitted pursuant to the terms hereof permitted to become the successor or assignee thereof.

### 1.12 Customer

“Customer” or “Customers” shall mean any Person (including the City) receiving Waste Handling Services from Contractor within City Limits.

### 1.13 Dwelling Unit

“Dwelling Unit” shall mean one or more rooms designed for occupancy by one family for living and sleeping purposes and containing kitchen facilities or an area designed for the preparation of food for use solely by one family.

### 1.14 Effective Date

“Effective Date” shall mean the 1<sup>st</sup> day of July 2016.

### 1.15 Environmental Laws

“Environmental Laws” means all federal and state statutes, county, local and City ordinances concerning public health, safety and the environment including, by way of example and not limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601 et seq.; the Resource Conservation and Recovery Act, 42 USC § 6901 et seq.; the Federal Clean Water Act, 33 USC § 1251 et seq.; the Federal Clean Air Act, 42 USC § 7401 et seq.; the Toxic Substances Control Act, 15 USC § 2601 et seq.; the Occupational Safety and Health Act, 29 USC § 651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code § 25100 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code § 25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code § 13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code § 25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder, and the Municipal Code, as may be amended from time to time.

### 1.16 Hazardous Contaminant

“Hazardous Contaminant” shall have the meaning ascribed in Section 17.2(D) of this Agreement.

### 1.17 Household Hazardous Waste

“Household Hazardous Waste” shall have the meaning set forth in California Health and Safety Code § 25218.1(e), as amended from time to time or replaced by a successor statute, and, at a minimum, include the materials specified in Exhibit B.

### 1.18 Household Hazardous Waste Door-to-Door Collection

“Household Hazardous Waste Door-to-Door Collection” shall have the meaning ascribed in Section 2.1 of this Agreement and shall also include the meaning set forth in California Health and Safety Code § 25218.1(c), as amended from time to time or replaced by a successor statute.

1.19 Medication Waste

“Medication Waste” shall have the meaning set forth in California Health and Safety Code § 117690(b)(3), as amended from time to time or replaced by a successor statute, but the term “Medical Waste” shall not include “trace chemotherapy waste” (as that term is defined in California Health and Safety Code § 117690(b)(5)) or any substance that is illegal under State or Federal law, including without limitation, medical marijuana.

1.20 Medication Waste Drop Box Collection

“Medication Waste Drop Box Collection” shall have the meaning ascribed in Section 2.3 of this Agreement.

1.21 Multi-Family Dwelling

“Multi-Family Dwelling” means any building or lot containing more than one Dwelling Unit. Unless otherwise determined as set forth above, any Premises upon which four (4) or more Dwelling Units exists shall be deemed to be a Multi-Family Dwelling. Any ambiguity as to whether a Customer’s Premises qualifies for purposes of this Agreement as a Single Family Dwelling or Multi-Family Dwelling shall be resolved by the City Manager whose decision shall be final.

1.22 Municipal Code

“Municipal Code” shall mean City’s Municipal Code (“Laguna Woods Municipal Code”).

1.23 Non-Vehicle Battery

“Non-Vehicle Battery” shall mean household batteries (*e.g.*, A, AA, AAA, and so on), but shall not include vehicle batteries.

1.24 Non-Vehicle Battery Drop Box Collection

“Non-Vehicle Battery Drop Box Collection” shall have the meaning ascribed in Section 2.5 of this Agreement.

1.25 Person

“Person” shall mean any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State of California, the County of Orange, towns, cities, and special purpose districts.

1.26 Premises

“Premises” shall mean any land, building, and/or structure within the City Limits where Waste is generated or accumulated.

1.27 Residential Premises

“Residential Premises” shall mean all Premises upon which Dwelling Units exist and includes Multi-Family Dwellings. Notwithstanding any provision to the contrary herein, in the Municipal Code, or otherwise, for purposes of this Agreement and to the extent permitted by law, Premises upon which assisted living facilities, community care facilities (and other similar types of facilities), hotels, and motels are operated shall be not deemed to be Residential Premises.

1.28 Sharps Waste

“Sharps Waste” shall have the meaning set forth in California Health and Safety Code § 117690(b)(4), as amended from time to time or replaced by a successor statute.

1.29 Sharps Waste Drop Box Collection

“Sharps Waste Drop Box Collection” shall have the meaning ascribed in Section 2.4 of this Agreement.

1.30 Sharps Waste Mail Back Collection

“Sharps Mail Back Collection” shall have the meaning ascribed in Section 2.2 of this Agreement.

1.31 Single Family Dwelling

“Single Family Dwelling” means a building or lot containing one Dwelling Unit, and for purposes of this Agreement includes buildings and lots with more than one Dwelling Unit where such Dwelling Units are determined by the City to be reasonably able to receive individualized Solid Waste Collection service by the automated process utilizing Carts contemplated herein.

1.32 Term

“Term” shall have the meaning ascribed in Section 4 of this Agreement.

1.33 Waste

“Waste” shall mean Household Hazardous Waste, Sharps Waste, Medication Waste and Non-Vehicle Battery Waste.

1.34 Waste Handling Services

“Waste Handling Services” shall mean any and all services described in Section 2 of this Agreement.

**SECTION 2.**  
**SCOPE OF SERVICES**

2.1 Household Hazardous Waste Door-to-Door Collection

(A) Contractor shall provide Household Hazardous Waste Door-to-Door Collection services to individuals residing in City Limits on an on-call basis. Household Hazardous Waste Door-to-Door Collection services shall include Contractor collecting the requested Household Hazardous Waste from outside of a Customer's Dwelling Unit. In order to receive such service, Customers shall provide Contractor with notice by telephone of the number and type of Household Hazardous Waste to be collected. Contractor shall respond to Customer's call for service within a reasonable time not to exceed one (1) business day thereafter. Within two (2) business days from the date of Customer's call for service, Contractor shall mail all materials and containers necessary for the Household Hazardous Waste to be collected to the Customer. Customer shall assemble and package Household Hazardous Waste as instructed by Contractor and provide Contractor with notice by phone of readiness for collection. Contractor shall respond to Customer's telephone call within a reasonable time not to exceed one (1) business day thereafter. Contractor shall collect all Household Hazardous Waste on two regularly scheduled days per month with up to 15 individual collections per day, and on additional dates, as necessary, to ensure that collections occur within fourteen (14) calendar days of each Customer's notice of readiness. Contractor shall produce, keep current, and provide public information specifically outlining its Household Hazardous Waste Door-to-Door Collection service, which shall include, but not be limited to, a program overview flyer approved by the City Manager. All public information materials shall be produced in English and Spanish and translated, within thirty (30) days of City's request, into Chinese, Korean, and Tagalog.

(B) Contractor shall not collect Household Hazardous Waste that consists solely of used motor oil and oil filters. Contractor shall refer customers expressing an interest in such collection to local used oil collection centers. Contractor shall maintain a list of such collection centers in a form and manner that is readily accessible to its customer service personnel.

(C) Contractor shall not collect Household Hazardous Waste that consists solely of Sharps Waste. Contractor shall refer customers expressing an interest in such collection to City's Sharps Waste Mail Back Collection services. Contractor shall maintain information on such services in a form and manner that is readily accessible to its customer service personnel.

(D) Contractor shall not knowingly collect Medication Waste with Household Hazardous Waste. Contractor shall refer customers expressing an interest in such collection to City's Medication Waste Drop Box Collection services. Contractor shall maintain information on such service in a form and manner that is readily accessible to its customer service personnel.

(E) Contractor may limit the number and/or volume of Waste eligible for Collection at any single time, subject to authorization from the City Manager.

(F) Upon request of City, Contractor shall produce and mail a self-addressed postcard approved by City, with postage pre-paid, to all individuals utilizing Household Hazardous Waste

Door-to-Door Collection services for the primary purpose of inviting comments on the quality of Contractor's services. Postcards shall be self-addressed with City's mailing address.

## 2.2 Sharps Waste Mail Back Collection

Contractor shall provide Sharps Waste Mail Back Collection services to individuals residing in City Limits on an on-call basis. Sharps Waste Mail Bank Collection services shall include Contractor receiving Sharps Waste via mail from Customers. In order to receive such service, Customers shall provide Contractor with notice by telephone of the number and type of Sharps Waste to be collected. Contractor shall respond to Customer's call for service within a reasonable time not to exceed one (1) business day thereafter. Within two (2) business days from the date of Customer's call for service, Contractor shall mail all materials and containers necessary for the Sharps Waste to be collected to the Customer, which shall include, but not be limited to, a one-quart or larger rigid container in which Sharps Waste can be placed, as well as all necessary materials for Customer to mail said container with Sharps Waste to Contractor without the need for postage, additional packaging, or mail service in excess of standard U.S. mail. Customer shall prepare Sharps Waste as instructed by Contractor and then return the same to Contractor by standard U.S. mail. Contractor shall produce, keep current, and provide public information specifically outlining its Sharps Mail Back Collection service, which shall include, but not be limited to, a program overview flyer approved by the City Manager. All public information materials shall be produced in English and Spanish and translated, within thirty (30) days of City's request, into Chinese, Korean, and Tagalog.

## 2.3 Medication Waste Drop Box Collection

As requested, Contractor shall provide Medication Waste Drop Box Collection services at City Premises on an ongoing basis. Medication Waste Drop Box Collection services shall include Contractor placing a sturdy, durable, secure, and locking drop box for the collection of Medication Waste in locations requested by Customer and removing and collecting Medication Waste from the same on an on-call basis. Customer's staff shall provide Contractor with notice by telephone of the need for removal and collection of Medication Waste, unless Contractor and Customer agree to a regular collection schedule, in writing. Contractor shall respond to Customer's call for on-call service within a reasonable time not to exceed one (1) business day thereafter. Contractor's collection shall occur within three (3) business days from the date of Customer's call for on-call service.

## 2.4 Sharps Waste Drop Box Collection

As requested, Contractor shall provide Sharps Waste Drop Box Collection services at City Premises on an ongoing basis. Sharps Waste Drop Box Collection services shall include Contractor placing a sturdy, durable, secure, and locking drop box for the collection of Sharps Waste in locations requested by Customer and removing and collecting Sharps Waste from the same on an on-call basis. For purposes of this service only, Sharps Waste may be placed in the drop box in any rigid and needle puncture-resistant container (*e.g.*, laundry detergent bottles, soda bottles, and medical sharps containers). Customer's staff shall provide Contractor with notice by telephone of the need for removal and collection of Sharps Waste, unless Contractor and Customer agree to a regular collection schedule, in writing. Contractor shall respond to Customer's call for on-call

service within a reasonable time not to exceed one (1) business day thereafter. Contractor's collection shall occur within three (3) business days from the date of Customer's call for on-call service.

#### 2.5 Non-Vehicle Battery Waste Drop Box Collection

As requested, Contractor shall provide Non-Vehicle Battery Drop Box Collection services at City Premises on an ongoing basis. Non-Vehicle Battery Drop Box Collection services shall include Contractor placing a sturdy and durable drop box for the collection of Non-Vehicle Battery Waste in locations requested by Customer and removing and collecting Non-Vehicle Battery Waste from the same on an on-call basis. Customer's staff shall provide Contractor with notice by telephone of the need for removal and collection of Non-Vehicle Battery Waste, unless Contractor and Customer agree to a regular collection schedule, in writing. Contractor shall respond to Customer's call for on-call service within a reasonable time not to exceed one (1) business day thereafter. Contractor's collection shall occur within three (3) business days from the date of Customer's call for on-call service.

### **SECTION 3. ACCEPTANCE; WAIVER**

Contractor agrees to be bound by and comply with all the requirements of this Agreement. Contractor waives Contractor's right to challenge the terms of this Agreement under federal, state, or local law, or administrative regulation. Contractor waives any right or claim to serve the City or any part of the City under any prior grant of franchise, contract, license, or permit issued or granted by any governmental entity including any right under Section 49520 of the Public Resources Code.

### **SECTION 4. TERM**

Subject to the provisions of Section 12.1 ("Termination") of this Agreement, the Term of this Agreement is effective for a period beginning on July 1, 2016 and ending at 11:59 p.m. on June 30, 2019. Such term may be extended upon written agreement of both Parties to this Agreement through a maximum of 11:59 p.m. on June 30, 2021.

### **SECTION 5. CONDITIONS TO EFFECTIVENESS OF AGREEMENT**

The satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by City in writing, is a condition precedent to the effectiveness of this Agreement, and a condition of Contractor's continued right to the benefits conveyed herein:

#### 5.1 Accuracy of Representation

All representations and warranties made by Contractor and set forth in this Agreement shall be accurate, true, and correct on and as of the Effective Date of this Agreement.

## 5.2 Absence of Litigation

There shall be no litigation pending in any court challenging the award of this Agreement to Contractor or the execution of this Agreement or seeking to restrain or enjoin its performance.

## 5.3 Effectiveness of City Council Action

The City Council's action approving this Agreement shall have become effective pursuant to California law.

### **SECTION 6.**

#### **WASTE HANDLING SERVICES PROVIDED BY CONTRACTOR**

## 6.1 Equipment

Contractor shall furnish all labor, supervision, materials, supplies, and equipment necessary to provide for all services required by the terms of this Agreement.

## 6.2 Performance Standards

Contractor shall perform Waste Handling Services as required hereunder in a workmanlike manner consistent with good housekeeping standards and all relevant provisions of Applicable Laws.

## 6.3 Noise and Disruption

Contractor shall perform Waste Handling Services as required hereunder in such a manner as to minimize noise and other disruptive impacts including, without limitation, those upon traffic.

## 6.4 Collection Times

Contractor shall not commence Waste Handling Services for any Customer until 8:00 a.m., nor shall such activities occur after 4:30 p.m. No Waste Handling Services shall occur on Sundays at Residential Premises, or on Saturdays or Sundays at City Premises, except in exceptional circumstances for which specific approval is given by the City Manager. Waste Handling Services shall not occur on any Premises on the following holidays: New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day, except in exceptional circumstances for which specific approval is given by the City Manager.

## 6.5 Drop Box Waste Handling Services

For the drop box Waste Handling Services provided pursuant to Sections 2.3 (Medication Waste), 2.4 (Sharps Waste) and 2.5 (Non-Vehicle Battery Waste) of this Agreement, Contractor shall comply with each of the following requirements.

(A) Contractor shall, at Customer's request, refurbish and replace as necessary all drop boxes at no charge to the Customer up to two (2) times per calendar year. City may require the replacement of drop boxes more frequently if it determines such action is needed to protect public

health and safety. Additional steam cleaning or replacement shall be provided within seventy-two (72) hours of notification by Customer at a charge specified in Exhibit A.

(B) Contractor shall, within twenty-four (24) hours after notification (weekends and holidays excepted), repair and maintain, remove graffiti from, and replace lost, stolen or damaged drop boxes at no charge to Customer.

(C) Contractor shall clearly label all drop boxes in letters not less than three inches high on its exterior with the type of waste being collected (*e.g.*, “Medication Waste,” “Sharps Waste” or “Non-Vehicle Batteries”). All drop boxes shall be further identified with Contractor’s name and phone number on its exterior so as to be visible and legible when the drop box is placed for use.

(D) All drop boxes for Medication Waste and Sharps Waste shall have locking lids.

(E) Customers shall have the right to independently purchase containers other than those provided by Contractor pursuant to Section 2.5 of this Agreement for use as Non-Vehicle Battery Waste Drop Boxes, subject to Contractor’s consent to service such Drop Boxes, which consent shall not be unreasonably withheld. In such instances, the provisions of this Section 6.5 shall not apply.

#### 6.6 Guaranteed Minimum Contractor Diversion Rate

Contractor shall make every effort possible to divert a minimum of fifty percent (50%) of all Household Hazardous Waste and Non-Vehicle Battery Waste it Collects under this Agreement for each calendar year beginning January 1, 2017 (“HHW Diversion Requirement”). Diversion of materials not Collected by Contractor shall not be counted towards meeting the HHW Diversion Requirement. Contractor shall follow the recycling industry hierarchy with an emphasis placed on recycling the most amount of Waste possible, followed by destruction and landfill.

To comply with this section, Contractor is required to submit timely reports supporting the HHW Diversion Requirement, and to provide supporting documentation as may be requested by City or its designee as part of, or independent of, an audit. Failure to meet, and fully support, the HHW Diversion Requirement may result in termination of this Agreement pursuant to Section 12.1.

### **SECTION 7.**

#### **MINIMUM STANDARDS FOR CONTRACTOR’S WASTE HANDLING SERVICE COLLECTION VEHICLES**

#### 7.1 General

Contractor shall provide vehicles for the Waste Handling Services (“Collection Vehicles”) that are sufficient in number and capacity to efficiently perform the work required by this Agreement in strict accordance with its terms.

## 7.2 Air Quality/Fuel Requirements

Contractor's Collection Vehicles shall comply with all rules and regulations of the South Coast Air Quality Management District, the Air Resource Board, and any other regulatory body that may be in effect during the Term of this Agreement, as well as other federal, state and local laws and regulations that may be enacted during the Term of this Agreement. Contractor's Collection Vehicles shall meet or exceed such air quality standards as may be adopted by the forgoing regulatory bodies during the Term of this Agreement. Contractor's Collection Vehicles shall comply with the requirements in the South Coast Air Quality Management District's Rule 1193.

## 7.3 Specific Requirements

Each Collection Vehicle utilized by Contractor in the performance of this Agreement shall meet the following minimum standards:

(A) Each Collection Vehicle shall be registered with the California Department of Motor Vehicles.

(B) Contractor's name, local or toll free telephone number, and a vehicle number shall be visibly printed or painted in letters not less than five (5) inches in height so as to be legible on both sides of each Collection Vehicle. Any other information or signage printed, painted, or displayed on Contractor's Collection Vehicles, when such Vehicles are providing Collection services within City Limits, shall be subject to approval by City.

(C) Each Collection Vehicle shall be maintained in a clean and sanitary condition both inside and out.

(D) Each Collection Vehicle shall be equipped with appropriate safety equipment, including any new safety related technologies that become standard in the waste industry. Each Collection Vehicle shall carry an operable fire extinguisher, and shall be equipped with a communication device sufficient to allow the driver to communicate directly with Contractor's dispatcher and/or main office.

(E) Each Collection Vehicle shall be kept in good repair and working order and shall be inspected regularly by Contractor to ensure it meets the requirements of the California Vehicle Code and the California Highway Patrol. Contractor shall inspect each Collection Vehicle prior to using it for Waste Handling Services to ensure that all equipment is operating properly. Collection Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule. Contractor shall repair, or arrange for the repair of, all of its Collection Vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition. Contractor shall keep accurate records of all Collection Vehicle maintenance and repair, recorded according to date and mileage, including signed verifications that repairs and maintenance has been properly performed, and shall make such records available to City upon request.

(F) Contractor shall utilize Collection Vehicles of a size, weight, nature, and type so as to not be unreasonably intrusive on the community with respect to noise, emissions, maneuverability, safety, and other factors and to avoid or minimize pavement damage and wear and tear of the street or adjacent properties, as approved by the City Manager.

(G) Contractor shall not load Collection Vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local laws or regulations.

(H) Noise levels of equipment used for Collection shall not exceed 75db (seventy-five decibels) when measured at a distance of twenty-five (25) feet from the vehicle, five (5) feet from the ground; provided, however, in the event there is any conflict with this section and the noises levels permitted under the City's Municipal Code, as such may be amended from time to time, the provisions in the City's Municipal Code shall apply. Contractor shall submit to City, upon City's request, a certificate of Collection Vehicle noise level testing, by an independent testing entity, for any Collection Vehicle. Nothing in this Agreement shall be construed as granting Contractor any rights or waivers to violate any Applicable Laws.

#### 7.4 Costs of Operation and Damages

Contractor shall be responsible for any costs incurred in connection with ensuring all Collection Vehicles comply with all Applicable Laws, including without limitation any such laws and regulations that may now exist or hereinafter be adopted relating to noise, fuels, emission standards, or weight limits.

#### 7.5 City Inspection

City may cause or require any Collection Vehicle used in performance of this Agreement to be inspected and tested at any time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of this Agreement.

#### 7.6 Correction of Defects and Removal of Vehicles from Use within City

Contractor agrees to immediately remove from service, and replace or repair, to the City's satisfaction, any Collection Vehicle which City determines to be of unsightly appearance, unsafe, unsanitary, leaking, out of compliance with any law or regulation or this Agreement, or otherwise in an unsatisfactory operating condition; and any such vehicle shall not be returned to service until the City Manager gives his written consent for its return.

### **SECTION 8.**

#### **CONTRACTOR'S WASTE HANDLING SERVICE PERSONNEL**

##### 8.1 Uniforms

Each of Contractor's Collection employees shall wear a clean uniform bearing Contractor's name. Uniforms must be well maintained and in good condition.

## 8.2 Identification of Employees

Contractor shall provide identification badges, cards or similar devices, for all of its employees, and all authorized subcontractors, who may make personal contact with residents of the City. City may require Contractor to notify Customers yearly, or more frequently if determined necessary by City, of the form of said identification.

## 8.3 Employee List

Contractor shall provide a list of current employees and authorized subcontractors to City upon request.

## 8.4 Driver's License

Each employee operating a vehicle as part of his or her duties shall, at all times, carry a valid operator's license for the type of vehicle he or she is operating.

## 8.5 Screening of Field Employees

Contractor shall make reasonable efforts to determine if its employees working in the field (i.e., drivers of Collection Vehicles, and employees otherwise involved in Waste Handling Services) have been convicted of a felony, and shall identify any such employees known to it to City. City shall have the ability to require that any employee so identified by Contractor not work in the field within City.

## 8.6 Discontinued Use of Unsatisfactory Employees

No employee shall continue to have any involvement whatsoever with regard to any work in anyway relating to or arising from this Agreement if City gives notice to Contractor that such employee is determined by City to be discourteous, disorderly, inefficient, unable to communicate effectively with Customers, or otherwise objectionable (provided the term "otherwise objectionable" shall not permit City to "ban" an employee for reasons that violate public policy; and, further, City shall give a reason for requesting the "ban" of any employee from engaging in work related to this Agreement).

## 8.7 Training and Legal Compliance

Contractor shall provide operating and safety training that meets minimum OSHA standards for all personnel, and shall comply with all laws and regulations applicable to its employees and personnel. Contractor shall periodically train employees on all the specific requirements of this Agreement applicable to the employee's effective performance of his or her duties.

## 8.8 Customer Service

### 8.8.1 Office Hours

Contractor shall maintain an office for communication with the public that at a minimum will be open from 8:00 a.m. to 5:00 p.m. Monday through Friday, holidays excepted (“Office Hours”). At least one responsible and qualified representative of Contractor, capable of communicating in English and Spanish, shall be present and available by telephone during Office Hours, for personal communication with the public and City personnel regarding calls for Waste Handling Services, complaints, customer service inquiries, etc. and a similarly qualified person shall be available for communication with the public by phone during any other times when Waste Handling Services are occurring.

### 8.8.2 Telephone Customer Service Requirements

#### 8.8.2.1 Toll Free Number

Contractor shall maintain a toll free telephone number that rings at an office at all times during Office Hours. Both English and Spanish speaking personnel shall be available during Office Hours to assist Customers and City personnel with telephonic inquiries. Contractor shall have the ability (through the use of outside resources or otherwise) to communicate with Customers who only speak Spanish, Korean, Mandarin Chinese, or Tagalog to ensure their inquiries, questions, complaints and other matters are dealt with in a reasonably timely fashion. All such personnel shall be polite and responsive, and shall be sufficiently knowledgeable, and have the authority to respond and/or advise Customers seeking assistance. Contractor’s telephone system shall be adequate to handle the volume of calls typically experienced on the busiest days. Contractor shall provide City with a twenty-four (24)-hour emergency telephone number to a live person, not voice-mail.

#### 8.8.2.2 Call Responsiveness

Contractor shall make reasonable attempts to answer all phone calls within five (5) rings. If a call has been placed on hold for three (3) minutes, the caller will either be switched to a message center which shall be responsible to obtain the caller’s address and phone number, or a Customer service representative will obtain the Customer’s address and a number at which the call can be returned. Contractor shall make at least three attempts within the next twenty-four (24) hour period to return the call, with the first such attempt not more than one (1) hour after the caller leaves the message. If Contractor is unsuccessful in contacting the Customer after following this procedure, it shall send a letter to the caller indicating its efforts.

### 8.8.3 Complaint Documentation

All service complaints shall be directed to Contractor. Contractor shall log all complaints received and said log shall include the date and time the complaint was received, the name, address and telephone number of the complaining party, a description of the complaint, the name of the employee recording the complaint and the action taken by Contractor to respond to and remedy the complaint. All written Customer complaints and inquiries shall be date-stamped when received. All complaints shall be initially responded to within one (1) business day (Monday

through Friday) of receipt. Contractor shall log action taken to respond to and remedy the complaint. Daily logs of complaints shall be retained for a minimum of twenty-four (24) months. All Customer service records and logs kept by Contractor shall be available to City upon request. City shall, at any time during regular Office Hours, have access to Contractor's Customer service department for purposes that may include monitoring the quality of Customer service or researching Customer complaints. Contractor shall provide to City on a monthly basis, a complaint log, in a form satisfactory to the City, that includes all of the complaints logged pursuant to this Section 8.8.3, the complainant and the resolution.

## **SECTION 9.**

### **CONTRACTOR'S COMPENSATION AND METHOD OF PAYMENT**

#### **9.1    Compensation**

Contractor shall provide services pursuant to this Agreement at rates it sets, charges to, and collects from City; provided, however, Contractor's rates shall not exceed those set forth in the attached Exhibit A, which sets out the maximum rates that may be charged by Contractor for the various different service options that may occur hereunder, as such maximum rates may be adjusted from time to time pursuant to the terms hereof. Contractor shall provide City with itemized bills, detailing charges for all services, as well as the period of service to which the bill applies.

Contractor shall perform work only as requested by City. This Agreement does not state, convey, imply or infer a specific, minimum or expected amount of work or compensation for as needed services or reimbursables. Compensation for services shall not exceed the rates or amounts specified in Exhibit A.

#### **9.2    Billing Practices**

No later than the 15th of each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. Invoices shall be prepared and provided in a manner that adequately presents the services rendered in an easy to understand and verifiable format. The format of Contractor's bills must be approved by City prior to the commencement of Waste Handling Services under this Agreement. City reserves the right to require changes to the invoice format during the Term of this Agreement.

#### **9.3    Non-Waiver**

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor, nor to constitute any waiver of any type of relief or remedy, legal or equitable, arising out of any breach or nonperformance of any aspect of the Agreement by Contractor.

## **SECTION 10.**

### **INSURANCE COVERAGE**

Contractor shall procure and maintain during the entire Term of this Agreement the following types of insurance, and shall maintain the following minimum levels of coverage, which

shall apply to any claims which may arise from or in connection with Contractor's performance hereunder or the actions or inactions of any of Contractor's officers, agents, representatives, employees, or subcontractors in connection with Contractor's performance. The insurance requirements hereunder in no way limit Contractor's various defense and indemnification obligations, or any other obligations as set forth herein.

#### 10.1 Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most recent editions of Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 00 01).
2. The most recent editions of Insurance Services Office form number CA 00 01 1001 covering Automobile Liability, code 1 "any auto".
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

#### 10.2 Minimum Limits of Insurance

Contractor shall maintain in force for the Term of this Agreement limits no less than:

##### 10.2.1 Commercial General Liability

Two Million Dollars (\$2,000,000.00) limit aggregate and One Million Dollars (\$1,000,000.00) limit per occurrence for bodily injury, personal injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.

##### 10.2.2 Automobile Liability

One Million Dollars (\$1,000,000.00) combined limit per accident for bodily injury and property damage. Such limits can be achieved through a combination of primary and excess liability policies.

##### 10.2.3 Workers' Compensation and Employers Liability

Workers' compensation statutory limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000.00) per accident.

#### 10.3 Deductibles and Self-Insured Retentions

All deductibles or self-insured retentions (i) shall be for the account of Contractor and paid entirely by Contractor without contribution from City, and (ii) shall be declared to City. If, in the reasonable opinion of the City, Contractor does not have sufficient financial resources to protect the City from exposure with respect to any deductibles or self-insured retentions Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### 10.4 Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

##### 10.4.1 General Liability

City and its elected and appointed officials, officers, employees, agents and volunteers shall be named as additional insureds in connection with liability arising out of activities performed by or on behalf of Contractor; Premises owned, leased or used by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its elected and appointed officials, officers, employees, agents and volunteers. As respects the liabilities assumed by Contractor under this Agreement, Contractor's insurance coverage shall be the primary insurance for the City and its elected and appointed officials, officers, employees, agents and volunteers in connection with the above enumerated categories. Any insurance or self-insurance maintained by City or its elected and appointed officials, officers, employees, agents and volunteers shall be in excess of Contractor's insurance and shall not contribute with it. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to City or its elected and appointed officials, officers, employees, agents and volunteers. Coverage shall state that Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

##### 10.4.2 Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against City and its elected and appointed officials, officers, employees, agents and volunteers for losses arising from work performed by Contractor for City. A Waiver of Subrogation Endorsement must be issued to City by the insurer.

##### 10.4.3 Environmental Pollution Control Insurance

Contractor shall maintain either an endorsement to its general liability policy, or a separate policy of insurance covering environmental pollution and contamination that names the City as an additional insured. Said coverage shall be in the amount of not less than One Million Dollars (\$1,000,000) per occurrence, and One Million Dollars (\$1,000,000) in the aggregate, and shall substantially comply with all other provisions set forth in Section 10.4.1.

##### 10.4.4 All Coverages

Except for Worker's Compensation, each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice has been given to City. Additionally, Contractor agrees that it will not suspend, void or reduce in coverage or limits each insurance policy required by this clause without notice to the City.

Contractor shall provide written notice to City within ten (10) business days if: (1) any of the required insurance policies are terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention are increased. In the event any of said

policies of insurance are cancelled, Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 10 to the City Manager.

#### 10.5 Acceptability of Insurers

The insurance policies required by this Section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A or better, unless otherwise approved by the City Manager.

#### 10.6 Verification of Coverage

Contractor shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Article. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by or acceptable to City and are to be received and approved by City before work commences. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

#### 10.7 Loss or Reduction in Insurance

In the event that Contractor fails to retain or maintain insurance with the scope and amounts of coverage required hereunder, City shall have the right, but not the obligation to terminate this Agreement.

### **SECTION 11. ASSIGNMENT, SUBLETTING, AND TRANSFER; REQUIREMENTS AND LIMITATIONS**

#### 11.1 General

Contractor shall not assign any portion of or all of its rights, nor delegate, subcontract or otherwise transfer any portion of or all of its obligations under this Agreement (collectively referred to as an "Assignment") to any other Person without the prior approval by the City Council. The City Council has unfettered discretion to approve or deny such an Assignment. The City Council's exercise of its unfettered discretion may include City Council review and approval of any Assignment terms, including, but not limited to, insurance obligations, indemnification language, bonding requirements, and any and all other terms the City Council may in its unfettered discretion require. Any such Assignment made without the approval by the City Council shall be void and the attempted Assignment shall constitute a material breach of this Agreement.

#### 11.2 Assignment to be Broadly Interpreted

For purposes of this Section, the term "Assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of any membership interest of Contractor to a third party; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-

issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Contractor or any of its Affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership, or change of control of Contractor; and (vi) Contractor's subcontracting of only a portion of its rights and obligations under this Agreement (*e.g.*, the Household Hazardous Waste Door-to-Door Collection service).

### 11.3 Nature of Agreement – Personal to Contractor

Contractor acknowledges that this Agreement involves rendering a vital service to City's residents, and that City has selected Contractor to perform the services specified herein based on (1) Contractor's experience, skill and reputation for conducting its Solid Waste Handling Services in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Solid Waste management practices, and (2) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

### 11.4 Procedure for Consideration of Assignment

If Contractor requests City's consideration of and consent to an Assignment, the City Council may deny, approve or conditionally approve such request in its sole and absolute discretion. Under no circumstances shall City be obliged to consider any proposed Assignment if Contractor is in default at any time during the period of consideration. Should the City consent to any Assignment request, such Assignment shall not take effect until all conditions relating to the City's approval have been met.

## **SECTION 12.**

### **CITY'S REMEDIES; DEFAULT, TERMINATION AND LIQUIDATE DAMAGES**

#### 12.1 Termination

(A) City may terminate this Agreement, with or without cause, at any time by giving thirty (30) days written notice of termination to Contractor. In the event such notice is given, City may require Contractor to cease immediately all work in progress.

(B) Contractor may terminate this Agreement at any time upon sixty (60) days written notice of termination to City. In the event such notice is given, City may require Contractor to cease immediately all work in progress.

(C) If Contractor fails to perform any material obligation under this Agreement, then, in addition to any other remedies, City may terminate this Agreement immediately upon written notice.

(D) Upon termination of this Agreement by either Contractor or City, all property belonging exclusively to City which is in Contractor's possession shall be returned to City immediately upon demand by City, notwithstanding any billing disputes that may then exist under this Agreement. Contractor shall furnish to City a final invoice for work performed and expenses incurred by Contractor, prepared as set forth in Section 9 of this Agreement. This final invoice shall be reviewed and paid in the same manner as set forth in Section 9 of this Agreement.

## 12.2 Liquidated Damages

### 12.2.1 General

The City finds, and Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by City as a result of a breach by Contractor of certain specific obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that the services that are the subject of this Agreement might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such specific breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

### 12.2.2 Service Performance Standards; Liquidated Damages for Failure to Meet Standards

The parties further acknowledge that consistent, reliable Waste Handling Service is of utmost importance to City and that City has considered and relied on Contractor's representations as to its quality of service commitment in entering this Agreement with it. The parties further recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, City and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which City will suffer. Therefore, without prejudice to City's right to treat such breaches as an event of default, the parties agree that the following liquidated damage amounts represent a reasonable estimate of the amount of such damages for such specific breaches, considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical. In placing their initials at the places provided, each party specifically confirms the accuracy of the statements made above and the fact that each party has had ample opportunity to consult with legal counsel and obtain an explanation of the liquidated damage provisions at the time that the Agreement was made.

Contractor \_\_\_\_\_ City  
 Initial Here \_\_\_\_\_ Initial Here \_\_\_\_\_

### 12.2.3 Calculations for Liquidated Damages

Contractor agrees to pay (as liquidated damages and not as a penalty) the amounts set forth below for each type of action warranting such damages:

(A) For each failure to process Customer complaints to City as required herein, which exceeds five (5) such occurrences annually: \$100.00.

### 12.2.4 Process for Assessment of Liquidated Damages

(A) City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representative or through an investigation of Customer complaints. It is the desire of the parties to work together to avoid the imposition of liquidated damages and accordingly City will endeavor to timely communicate to Contractor any information that it receives which might give rise the imposition of liquidated damages in order to facilitate Contractor's ability to correct any deficiency, or prevent the recurrence of any conduct for which liquidated damages might eventually be imposed.

(B) Prior to assessing liquidated damages, City shall give Contractor notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Contractor may review (and make copies at its own expense) all information in the possession of City relating to incident(s)/non-performance. Contractor may, within ten (10) days after receiving the notice, request a meeting with the City Manager. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance. The City Manager will provide Contractor with a written explanation of his or her determination on each incident(s)/non-performance prior to authorizing the assessment of liquidated damages. The decision of City Manager shall be final.

(C) City may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement.

### 12.2.5 Timing of Payment

Contractor shall pay any liquidated damages assessed by City within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, City may find Contractor in default and exercise its right to immediately terminate this Agreement as set forth herein.

## **SECTION 13. CITY'S ADDITIONAL REMEDIES**

In addition to any other remedies set forth herein, City shall be entitled to any or all of the following rights and remedies in the event of a breach of this Agreement by Contractor:

(A) The right to license others to perform the services otherwise to be performed by Contractor hereunder, or to perform such services itself; and

(B) The right to obtain damages and/or injunctive relief. Both parties recognize and agree that in the event of a breach of this Agreement by Contractor, City will suffer irreparable injury and incalculable damages sufficient to support injunctive relief, to specifically enforce the provisions of this Agreement, and to enjoin the breach hereof.

**SECTION 14.**  
**PRIVACY**

(A) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

(B) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(C) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of Contractor's conduct.

(D) Contractor shall promptly notify City should Contractor, its officers, officials, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement or the work performed thereunder. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

**SECTION 15.**  
**REPORTS**

The parties acknowledge that City may require reporting at various intervals by which information important to City can be compiled and analyzed. Throughout the Term of this Agreement the parties agree to work together to address City's needs with respect to the format of and information to be contained in reports prepared by Contractor.

At a minimum, Contractor shall report the following to City on a monthly basis, within thirty (30) days of the end of each month: Waste collected by Contractor, sorted by type of Waste in measurements broken down at a level acceptable to City, as well as by Customer and collection address; and, the facilities where all Waste collected was processed or disposed.

**SECTION 16.**  
IDENTIFICATION OF CONTRACTOR

Contractor has agreed to use the name “WM Curbside” or “At Your Door Special Collection” to identify itself to the public as the specific organization that shall provide all services under this Agreement. Unless otherwise approved in writing by City, this name shall be used for all correspondence, Billing statements, directory listings, references, signs, Collection Vehicles, and drop boxes.

**SECTION 17.**  
INDEMNIFICATION

17.1 General

(A) Contractor hereby agrees to and shall indemnify and hold harmless City, its elected and appointed officials, officers, employees, agents, and volunteers (collectively the “Indemnities”) from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (including, but not limited to, injury to and death of any Person and damage to property, or for contribution or indemnity claimed by third parties) arising out of, resulting from, and/or in any way connected with this Agreement including: (1) the negligence or willful misconduct of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement; (2) the failure of Contractor, its officers, employees, agents, and/or subcontractors to comply in all respects with the provisions of this Agreement, all Applicable Laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; (3) the acts of Contractor, its officers, employees, agents, and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law (including, without limitation, the Environmental Laws); and (4) any challenge to the award of, or any provisions of this Agreement (including any claim that the application of any provision hereof violates any provision of the California Constitution). The foregoing indemnity and hold harmless provisions shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of Indemnities’ negligence, but shall not extend to matters resulting from Indemnities’ sole negligence, or willful misconduct. Contractor further agrees to and shall, upon demand of City, at Contractor’s sole cost and expense, defend (with attorneys acceptable to City) Indemnities against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse City for any and all costs and expenses City incurs in providing any such defense, either before, during or after the time Contractor elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Contractor.

(B) Contractor, upon demand of City, made by and through the City Attorney, shall protect City and appear in and defend Indemnities, in any claims or actions by third parties, whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the scope of the rights granted herein, conflicts between the rights granted herein and rights asserted by other Persons, or the limits of City's authority with respect to the grant of licenses, or agreements, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or any other federal or state laws to provide Collection services in the City.

(C) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

## 17.2 Hazardous Substances Indemnification

(A) Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to City) reimburse, indemnify, and hold City, its elected and appointed officials, officers, employees, agents, and volunteers (hereinafter "Indemnified Parties") harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

(1) results in any demand, claim, notice, order, or lawsuit, asserting that any Indemnified Party is liable, responsible or in any way obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any Hazardous Contaminant (as defined herein); or

(2) relates to material collected, transported, recycled, processed, treated or disposed of by Contractor.

(B) Contractor's obligations pursuant to this Section shall apply, without limitation, to:

(1) any Claims brought pursuant to or based on the provisions of the Environmental Laws, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health & Safety Code Sections 25300 et seq.), the California Hazardous Waste Control Laws (California Health and Safety Code Sections 25100 et seq.), the California Porter-Cologne Act (California Water Code Section 13000 et seq.), and any and all amendments and regulations thereto, and any other federal, state, regional or local environmental statutory or regulatory provision;

(2) any Claims based on or arising out of or alleged to be arising out of the ownership, use, lease, sale, design, construction, maintenance or operation by Contractor of any facility;

(3) any Claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, disposal, processing or use of any materials recovered by Contractor; and

(4) any Claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with this Agreement.

(C) The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any Affiliate of Contractor.

(D) For purposes of this Agreement, the term “Hazardous Contaminant” shall mean any “hazardous material,” as that term is defined under California Health & Safety Code Section 25501(n); any “hazardous substance,” as that term is defined herein or under California Health & Safety Code Sections 25281(h), 25501(n), 25501.1 and under Title 42, Section 9601(14) of the United States Code; any “hazardous waste,” as that term is defined herein and under Title 42, Section 6903(5) of the United States Code and under California Health & Safety Code Section 25501(n); any chemical which the Governor has identified as a chemical known to the State to cause cancer or reproductive toxicity pursuant to California Health & Safety Code Section 25249.8; any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term “Hazardous Contaminant” shall also include any and all amendments to the above-referenced statutory and regulatory provisions made before or after the date of execution of this Agreement.

(E) The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation, and shall survive the expiration or earlier termination of this Agreement.

(F) With regard to any claim covered by this provision arising from the delivery of Waste to the Orange County landfill system pursuant to the terms of the County Agreement, the indemnity provisions hereof are intended to be supplemental to any indemnification obligations owed to the City by the County of Orange pursuant to the County Agreement.

## **SECTION 18.**

### **CONTRACTOR’S BOOKS AND RECORDS; AUDITS**

#### **18.1 Maintenance and Inspection of Records**

(A) Contractor shall maintain any and all documents and records demonstrating or relating to Contractor's and any of Contractor's subcontractors' performance of services pursuant to this Agreement. Contractor shall maintain any and all drafts of studies or planning documents, correspondence, notices, ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to City pursuant to this Agreement. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Contractor pursuant to this Agreement. Any and all such documents or records shall be maintained for five (5) years from the end of the term of this Agreement and to the extent required by laws relating to audits of public agencies and their expenditures.

(B) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon written request by City, Federal government, State of California, or their designated representatives. Copies of such documents or records shall be provided directly to the requesting party for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Contractor's address indicated for receipt of notices in this Agreement.

(C) Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Contractor's business, City may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to City, as well as to its successors in interest and authorized representatives.

(D) Contractor shall prepare and submit to City reports concerning the performance of the work in this Agreement as City shall require.

#### **SECTION 19.** TRANSITION OBLIGATIONS

At the end of the Term of this Agreement, or in the event this Agreement is terminated for cause prior to the end of the Term, Contractor shall cooperate fully with City and any subsequent waste handling enterprise it designates to assure a smooth transition of any or all Waste Handling Services. Contractor's cooperation shall include, but not be limited to, providing operating and billing records needed to service all premises covered by this Agreement. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

Contractor shall provide any new waste handling enterprise with all keys, security codes and remote controls used to access locations where drop boxes are located. Contractor shall be responsible for coordinating transfer immediately after its final collection activities, so as to not disrupt services, including coordinating with the new waste handling enterprise on the removal of Contractor's drop boxes and the delivery of the new waste handling enterprise's drop boxes. Contractor shall provide means of access to the new waste handling enterprise at least one (1) full business day prior to its first day of collection, and within sufficient time so as to not impede in any way the new waste handling enterprise from easily servicing all Containers.

#### **SECTION 20.** GENERAL PROVISIONS

##### 20.1 Not An Exclusive Franchise Agreement/Not An Exclusive Contract

This Agreement is not an exclusive franchise agreement. Contractor understands and acknowledges that this Agreement does not confer any exclusive franchise, contract, right, or privilege to collect, transport, and dispose of Waste generated or accumulated within City Limits.

## 20.2 Force Majeure

Contractor shall not be in default under this Agreement in the event that its ability to provide Waste Handling Services, in compliance with its obligation to do so hereunder, is temporarily interrupted or discontinued for any of the following reasons: riots, wars, sabotage, civil disturbances, insurrections, strikes or other labor disturbances lasting five (5) days or less, explosion, natural disasters such as floods, earthquakes, landslides, and fires, or “other catastrophic events” which are beyond the reasonable control of Contractor. The term “other catastrophic events” does not include: (i) the financial inability of Contractor to perform; (ii) failure of Contractor to obtain any necessary permits or licenses from other governmental agencies; (iii) the failure to obtain the right, or the loss of the right, to use the facilities of any public utility where such failure is due in substantial part to the acts or omissions of Contractor; or (iv) strikes or other labor disturbances lasting longer than five (5) days.

## 20.3 Independent Contractor

Contractor is an independent contractor and not an officer, agent, servant, or employee of City. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between City and Contractor. Neither Contractor nor its officers, employees, agents, or subcontractors shall obtain any rights to retirement or other benefits which accrue to City employees.

## 20.4 Pavement Damage

Contractor shall be responsible for the cost of repair of any extraordinary damage to the public streets and streets, whether or not paved, located within the City resulting from providing the services required hereunder.

## 20.5 Property Damage

Any physical damage caused by the negligent or willful acts or omissions of employees, agents, or subcontractors of Contractor to private or public property shall be promptly repaired or replaced at Contractor’s expense.

## 20.6 Right of Entry

Contractor shall not have the right, until Contractor receives permission from the property owner, to enter or drive on any private street, court, place, easement, or other private property for the purpose of providing Solid Waste Handling Services pursuant to this Agreement.

## 20.7 Law to Govern; Venue

The laws of the State of California shall govern this Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Orange and venue in federal trial courts shall lie exclusively in the District of California in which City is located.

## 20.8 Amendment

No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council or City Manager. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

## 20.9 Notices

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered or sent by United States certified mail, postage prepaid, return receipt requested, and addressed as follows:

To City:                   City of Laguna Woods  
                                   Attn: City Manager  
                                   24264 El Toro Road  
                                   Laguna Woods, CA 92637

To Contractor:         WM Curbside, LLC  
                                   Attn: Sales Manager  
                                   5101 E. La Palma Avenue, Suite 206  
                                   Anaheim, CA 92807

or to such other address as either party may from time to time designate by notice to the other given in accordance with this Section. Notice shall be deemed given on the date served if served personally between the hours of 8:00 a.m. to 5:00 p.m. on any regular business day for City's business offices. If mailed, notice shall be deemed given three (3) business days from the date such notice is deposited in the United States mail in the manner proscribed above.

## 20.10 Savings Clause

If any non-material provision of this Agreement is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and enforceability of any of the remaining provisions of this Agreement.

## 20.11 Exhibits Incorporated

Exhibit A is attached to and incorporated in this Agreement by reference.

## 20.12 Joint Drafting

This Agreement shall be interpreted as if it were drafted jointly by the parties to the Agreement.

## 20.13 Attorneys' Fees and Litigation Costs

In the event either party brings any action or proceeding to enforce or interpret the terms or provisions of this Agreement, the prevailing party in any such action or proceeding shall be

entitled to recover its reasonable attorneys' fees and other litigation costs and expenses, including without limitation expert witness fees, consultant fees and costs. Without limiting its scope in any way, this provision is expressly intended to, and shall, apply to fees and costs incurred in any appeal.

#### 20.14 City's Authorized Agent

Notwithstanding anything contained herein to the contrary, and excepting amendments hereto and such actions set forth herein specifically calling for City Council action or approval, the City Manager is designated as the City's authorized agent to take any action with regard to any matter, or enforce any right, set forth herein requiring action by the City.

#### 20.15 Integrated Agreement

This Agreement contains the entire integrated agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals, and agreements between the Parties, whether written or oral. The Parties acknowledge this document has been executed with the consent and upon the advice of counsel. Each of the Parties acknowledges that no party or agent or attorney of any other party has made any promise, representation, or warranty, express or implied, not contained in this Agreement, to induce the other party to execute this instrument.

#### 20.16 Section Headings

The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

#### 20.17 Compliance with Law

(A) In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws, including the laws and regulations of the United States, the State of California, the provisions of the Municipal Code, and any federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended.

(B) Contractor shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the Term of this Agreement, including but not limited to regulations and rules pertaining to any grant awards or third-party funding with which this Agreement is funded in whole or in part. Contractor shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, its elected and appointed officials, officers, employees, agents, or volunteers, shall be liable, at law or in equity, as a result of any failure of Contractor to comply with this Section.

(b) Contractor shall not be debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs, or from receiving Federal contracts, subcontracts, or financial or nonfinancial assistance or benefits, under Executive Order 12549,

“Debarment and Suspension” (24 CFR 85.35) or other Federal laws, statutes, codes, ordinances, regulations or rules, at any time during the Term of this Agreement.

20.18 Nondiscrimination

Contractor shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition, sexual orientation or marital status in connection with or related to the performance of this Agreement.

20.19 Unauthorized Aliens

Contractor shall comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended from time to time or replaced by a successor statute, and in connection therewith, shall not employ unauthorized aliens as defined therein. The term "unauthorized aliens" means and includes "undocumented foreign nationals" as defined in the proposed Federal Correcting Hurtful and Alienating Names in Government Expression (CHANGE) Act (H.R. 3785, introduced October 21, 2015). Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

20.20 No Third Party Beneficiaries

Except as otherwise provided for in this Agreement, nothing in this Agreement, whether expressed or implied, is intended to confer any rights on any persons other than the parties to the Agreement and their representatives, successors, and permitted assigns.

[SIGNATURES ON FOLLOWING PAGE]

“City”

CITY OF LAGUNA WOODS

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Christopher Macon, City Manager

ATTEST:

By: \_\_\_\_\_  
Yolie Trippy, Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
David B. Cosgrove, City Attorney

“Contractor”

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
David R. Murphy, President

**EXHIBIT A****MAXIMUM RATE SCHEDULE FOR WASTE HANDLING SERVICES**

Rates during the Term of this Agreement shall be:

<b>SERVICE</b>	<b>RATE</b>
Household Hazardous Waste Door-to-Door Collection for Laguna Woods Residents	\$135 per collection
Sharps Waste Mail Back Collection for Laguna Woods Residents	\$65 per mail back
Medication Waste Drop Box Collection at City Premises	\$135 per service and \$4.50 per pound
Sharps Waste Drop Box Collection at City Premises	\$175 per service
Non-Vehicle Battery Waste Drop Box Collection at City Premises	\$150 per service
Drop Box Refurbishment/Replacement in Excess of Two (2) Times per Calendar Year	No Charge

In the event that the Term of this Agreement is extended beyond June 30, 2019 as provided for in Section 4, rates beginning on July 1, 2019 through the end of the extension period shall be:

<b>SERVICE</b>	<b>RATE</b>
Household Hazardous Waste Door-to-Door Collection for Laguna Woods Residents	\$145 per collection
Sharps Waste Mail Back Collection for Laguna Woods Residents	\$70 per mail back
Medication Waste Drop Box Collection at City Premises	\$145 per service and \$4.50 per pound
Sharps Waste Drop Box Collection at City Premises	\$188 per service
Non-Vehicle Battery Waste Drop Box Collection at City Premises	\$162 per service
Drop Box Refurbishment/Replacement in Excess of Two (2) Times per Calendar Year	No Charge

**EXHIBIT B****HOUSEHOLD HAZARDOUS WASTE  
ACCEPTABLE MATERIALS**

“Household Hazardous Waste” shall have the meaning set forth in California Health and Safety Code § 25218.1(e), as amended from time to time or replaced by a successor statute, and, at a minimum, include the following materials:

- Automotive Products: Antifreeze, brake fluid, cleaner, motor oil, oil filter, polish, wax, hydraulic fluid, transmission fluid, gasoline, diesel fuel, oily rags – *excludes tires*
- Flammable and Combustible Materials: Kerosene, solvent, certain cleaners – *excludes ammunition, explosives, and roadside flares*
- Fluorescent Tubes and Compact Fluorescent Lamps (CFLs)
- Garden Chemicals: Insect spray, weed killer, herbicide, fertilizer, insecticides, pesticides
- Household Cleaners: Ammonia, cleaning compounds, floor stripper, drain cleaner, tile/shower cleaner, rust remover, carpet/upholstery cleaner
- Mercury Containing Items: Thermostat, thermometer, switches – *excludes liquid mercury*
- Miscellaneous Household Materials: Batteries, hobby glue, smoke detectors, fire extinguishers, pressurized cylinders (five gallons or less) – *excludes asbestos*
- Paint Products: Latex paint, oil-based paint, thinner, artist’s paint, stripper, spray paint, wood preservative, stain, caulk, sealer
- Sharps Waste as defined in this Agreement
- Swimming Pool Chemicals: Pool acid, stabilizer, chlorine: tablets or liquid
- Golf Cart, Golf Car, and Vehicle Batteries

*This page is intentionally blank.*

**6.5**  
**AS NEEDED LANDSCAPE ARCHITECTURE**  
**AND FORESTRY SERVICES**

*This page is intentionally blank.*



*This page is intentionally blank.*

6.6

**SENIOR MOBILITY PROGRAM FUNDING**

*This page is intentionally blank.*

1                   **AMENDMENT NO. 1 TO COOPERATIVE AGREEMENT NO. C-1-2480**

2                                   **BETWEEN**

3                                   **ORANGE COUNTY TRANSPORTATION AUTHORITY**

4                                   **AND**

5                                   **CITY OF LAGUNA WOODS**

6                                   **FOR**

7                                   **SENIOR MOBILITY PROGRAM**

8                   **THIS AMENDMENT NO. 1** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by  
9 and between the Orange County Transportation Authority, a public corporation of the State of California  
10 (hereinafter referred to as "AUTHORITY"), and the City of Laguna Woods (hereinafter referred to as  
11 "CITY").

12                                   **RECITALS**

13                   **WHEREAS**, by Agreement No. C-1-2480 dated June 27, 2011, AUTHORITY and CITY are  
14 entered into a contract to provide the Senior Mobility Program (SMP) concerning senior transportation  
15 services; and

16                   **WHEREAS**, AUTHORITY and CITY agree to comply with all relevant elements of Orange County  
17 Local Transportation Authority Ordinance No. 3; and

18                   **WHEREAS**, AUTHORITY and CITY agree to comply with the M2 Project U SMP Funding and  
19 Policy Guidelines ("Guidelines"); and

20                   **WHEREAS**, AUTHORITY and CITY agree to extend the term of the Agreement through  
21 June 30, 2021;

22                   **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY that  
23 Amendment No. 1 to Cooperative Agreement No. C-1-2480 is hereby amended in the following  
24 particulars only:

- 25                   1. Amend **ARTICLES 2 and 3**: to delete in their entirety and replace with Attachment 1 to  
26 this Amendment.

**AMENDMENT NO. 1 TO  
AGREEMENT NO. C-1-2480**

1           2. Amend **ARTICLE 4. TERM OF AGREEMENT**: Page 5 of 9, line 23, to delete  
2 "June 30, 2016" as the expiration date of the Agreement, and in lieu thereof insert "June 30, 2021".

3           3. Amend **ARTICLE 8. AUDIT AND INSPECTION OF RECORDS**: Page 6 of 9, line 25, to  
4 delete "four (4) years" as the period for audit and inspection record, and in lieu thereof insert  
5 "five (5) years".

6           4. Amend **ARTICLE 11. ALCOHOL AND DRUG POLICY**: Page 7 of 9, line 19, to change  
7 the Drug Free Workplace Act of 1988 from "Exhibit D" to "Exhibit E".

8           The balance of said Agreement remains unchanged.

9           Upon execution by both parties, this Amendment No. 1 to Cooperative Agreement  
10 No. C-1-2480 shall be made effective on July 1, 2016.

11           **IN WITNESS WHEREOF**, the parties hereto have caused this Amendment No. 1 to Cooperative  
12 Agreement No. C-1-2480 to be executed on the date first above written.

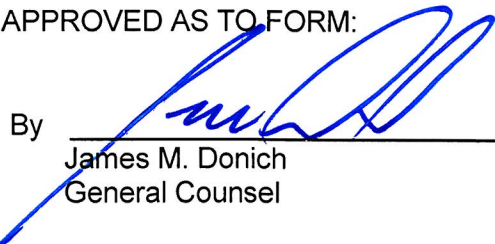
13 **CITY OF LAGUNA WOODS**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

14  
15 By \_\_\_\_\_  
16 Christopher Macon  
City Manager

By \_\_\_\_\_  
Darrell Johnson  
Chief Executive Officer

17 APPROVED AS TO FORM:

18  
19 By  \_\_\_\_\_  
James M. Donich  
General Counsel

20  
21 APPROVED:

22  
23 By \_\_\_\_\_  
Beth McCormick  
General Manager, Transit

1                   **ARTICLE 2. RESPONSIBILITIES OF AUTHORITY**

2           A.       AUTHORITY agrees to provide funds per the following:

3                   1.       Services provided under the Senior Mobility Program are available to individuals  
4           60 years of age and older.

5                   2.       Funds for the program are identified as one percent (1%) of Renewed  
6           Measure M (M2) net sales tax revenue and will be allocated to all local jurisdictions based upon the  
7           participating entity's respective percentage of the senior population of the entire county.

8                   3.       Senior population will be determined by using the most current official  
9           decennial Census information provided by the U.S. Census Bureau.

10                  4.       All active participants will receive their portion of funding on a bi-monthly  
11           basis.

12           B.       In the event that the amount of M2 funding provided for this program is less than the  
13           amount allocated for this program in fiscal year (FY 2010-11 as illustrated in Exhibit A, "Senior Mobility  
14           Program Allocation," AUTHORITY will allocate funds to CITY in an amount no greater than FY 2010-11  
15           funding levels less M2 SMP revenues. Disbursement of supplemental funds will occur upon  
16           reconciliation of total M2 funds distributed to CITY during the fiscal year.

17           C.       AUTHORITY agrees that Net Revenues allocated shall be expended within three (3)  
18           years of receipt. AUTHORITY may grant an extension to the three-year limit, but extensions shall not be  
19           granted beyond a total of five (5) years from the date of the initial funding allocation.

20           D.       In the event the time limits for use of Net Revenues are not satisfied, then any retained  
21           Net Revenues that were allocated to an Eligible Jurisdiction and interest earned thereon shall be  
22           returned to AUTHORITY and these Net Revenues and interest earned thereon shall be available for  
23           allocation to any project within the same source program at the discretion of AUTHORITY.

24           E.       AUTHORITY may provide, at AUTHORITY's sole discretion, a refurbished surplus  
25           paratransit vehicle, at no cost to CITY and no further responsibility to AUTHORITY after vehicle  
26           donation. CITY may purchase additional vehicle(s) in excess of their vehicle allocation, based on

1 availability, at a cost equivalent to the refurbishment costs incurred by AUTHORITY.

2 **ARTICLE 3. RESPONSIBILITIES OF CITY**

3 A. CITY agrees that all funds received from AUTHORITY as specified in Article 2A  
4 above will be used exclusively for providing accessible senior transportation services as specified in  
5 Exhibit B, entitled "Senior Mobility Program Service Plan."

6 B. CITY will ensure the Service Plan is adopted by their governing board in accordance  
7 with Section 7.0 of the SMP Funding and Policy Guidelines.

8 C. CITY must satisfy all M2 eligibility criteria as specified in Orange County Transportation  
9 Authority Ordinance No. 3 Requirements for Eligible Jurisdictions in order to receive their formula  
10 allocation for this program.

11 D. CITY agrees to comply with all provisions of the SMP Guidelines included as Exhibit C.

12 E. CITY agrees that Net Revenues allocated shall be expended within three (3) years of  
13 receipt. AUTHORITY may grant an extension to the three-year limit, but extensions shall not be  
14 granted beyond a total of five (5) years from the date of the initial funding allocation.

15 F. In the event the time limits for use of Net Revenues are not satisfied, any retained Net  
16 Revenues that were allocated to an Eligible Jurisdiction and interest earned thereon shall be returned to  
17 AUTHORITY and these Net Revenues and interest earned thereon shall be available for allocation to  
18 any project within the same source program at the discretion of AUTHORITY.

19 G. CITY agrees to match a minimum of twenty percent (20%) of the total annual program  
20 expenditures. Local match may be made up of cash-subsidies, fare revenues, donations, or in-kind  
21 contributions, such as salaries and benefits for CITY employees who perform work on the program.

22 H. CITY may contract with a third-party service provider to provide senior transportation  
23 services provided that:

- 24 1. Contractor is selected using a competitive procurement process; and  
25 2. Wheelchair accessible vehicles are available and used when requested.

26 /

1           I.       CITY shall procure and maintain insurance coverage during the entire term of this  
2 Agreement. Coverage shall be full coverage or subject to self-insurance provisions. CITY shall  
3 provide the following insurance coverage:

4                   1. Commercial General Liability, to include Products/Completed Operations,  
5 Independent Contractors', Contractual Liability, and Personal Injury Liability with a minimum limit of  
6 \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate.

7                   2. Automobile Liability Insurance to include owned, hired and non-owned autos with a  
8 combined single limit of \$1,000,000.00 each accident;

9                   3. Workers' Compensation with limits as required by the State of California  
10 including a waiver of subrogation in favor of AUTHORITY, its officers, directors, employees or agents;

11                   4. Employers' Liability with minimum limits of \$1,000,000.00; and

12           J.       Proof of such coverage, in the form of an insurance company issued policy  
13 endorsement and a broker-issued insurance certificate, must be received by AUTHORITY prior to  
14 commencement of any work. Proof of insurance coverage must be received by AUTHORITY within ten  
15 (10) calendar days from the effective date of this Agreement with AUTHORITY, its officers, directors,  
16 employees and agents designated as additional insured on the general and automobile liability. Such  
17 insurance shall be primary and non-contributive to any insurance or self-insurance maintained by  
18 AUTHORITY.

19           K.       CITY shall include on the face of the Certificate of Insurance the Cooperative Agreement  
20 Number C-1-2480; and, the Senior Contract Administrator's Name, Sue Ding.

21           L.       CITY agrees to provide AUTHORITY with monthly summary reports of CITY's Senior  
22 Mobility Program. CITY shall submit monthly summary report by the end of the following month as  
23 specified in Exhibit D, "Senior Mobility Program Monthly Reporting Form," included in this Agreement,  
24 which is incorporated into and made part of this Agreement.

25 /  
26 /

1           M.     CITY shall adopt an annual Expenditure Report to account for Net Revenues and  
2 funds expended by the Eligible Jurisdiction, which satisfy the Maintenance of Effort requirements.  
3 The Expenditure Report shall be submitted by the end of six (6) months following the end of the  
4 jurisdiction's fiscal year and include the following:

5                     1. All Net Revenue fund balances and interest earned.

6                     2. Expenditures identified by type (i.e. capital, operations, administration, etc.) and  
7 program or project.

8           N.     In the event CITY obtains a retired AUTHORITY vehicle for Senior Mobility Program  
9 services, CITY agrees to transfer vehicle title and registration within fourteen (14) calendar days  
10 from taking possession of the vehicle. CITY also agrees to provide documentation to AUTHORITY  
11 confirming transfer of vehicle title and registration from AUTHORITY to CITY within thirty (30)  
12 calendar days from taking possession of the vehicle.

13 /  
14 /  
15 /  
16 /  
17 /  
18 /  
19 /  
20 /  
21 /  
22 /  
23 /  
24 /  
25 /  
26 /



**Projected Measure M2 Senior Mobility Program Funding Allocation**  
*Projected Cost to Maintain 2011 Funding Levels (2011 Allocated)*  
 Cities of Garden Grove, Laguna Woods, and Seal Beach

<b>Allocation Detail</b>						
Local Jurisdictions	2017	2018	2019	2020	2021	Total
	Garden Grove	25,661	17,268	8,906	156	
Laguna Woods	42,147	37,522	32,907	28,088	23,513	164,177
Seal Beach	1,480					1,480
<b>Total</b>	<b>\$ 69,288</b>	<b>\$ 54,790</b>	<b>\$ 41,813</b>	<b>\$ 28,244</b>	<b>\$ 23,513</b>	<b>\$ 217,648</b>

**Senior Mobility Program  
Agency Service Plan**

**Agency: City of Laguna Woods**



# Senior Mobility Program

## Agency Service Plan

Jurisdictions and agencies participating in the Orange County Transportation Authority (OCTA) Senior Mobility Program (SMP) must complete the following Service Plan in order to receive SMP funding. The Service Plan must be developed in accordance with SMP Guidelines, included as Attachment 1, and submitted to OCTA for review. Upon review from OCTA, the Service Plan must be formally adopted by the agency's council or governing body and approved by the OCTA Board of Directors. Any modifications to SMP services will require submittal of a new Service Plan.

### Participant Information:

Agency City of Laguna Woods Date \_\_\_\_\_  
Program Contact Christopher Macon Phone 949-639-0525  
Email cmacon@cityoflagunawoods.org

### Service Description:

#### 1. Program goals and objectives:

The City's Senior Mobility Program subsidizes the cost of taxi travel for Laguna Woods residents who are at least 60 years of age.

#### Objectives include:

- \* Offering affordable and discounted taxi services to increase resident mobility
- \* Improving service to key destinations not readily served by transit
- \* Improving coordination between transit services to provide more frequent and better timed connections between services
- \* Providing an on-call, door-to-door service for residents (demand-response)
- \* Making transit more accessible and convenient for residents by participating in OCTA marketing and outreach efforts to encourage use of fixed-route transit services by older adults
- \* Ensuring the safety of resident transit users by maintaining adequate oversight of safety-related aspects of the services provided by a contract service provider

2. Indicate how SMP service will be operated: *(Please check all that apply)*

- |  |   |
|--|---|
| <input type="checkbox"/> Directly-Operated         | <input checked="" type="checkbox"/> Subsidized Taxi Program |
| <input type="checkbox"/> Contract Service Provider | <input type="checkbox"/> Other (Please Describe)            |
| <input type="checkbox"/> Volunteers                |   |

The City contracts with a taxi company and offers subsidized vouchers and travel to residents using said company. With the exception of certain non-emergency medical trips, all travel is arranged directly between eligible residents and the taxi company on a demand-response basis. The City does not charter buses or directly-operate its own fleet of vehicles using SMP funds.

3. Eligible trips provided under the SMP are limited to the following categories. Please indicate the categories of service to be provided by your program: *(Please check all that apply)*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Senior Center | <input checked="" type="checkbox"/> Personal Care                         |
| <input checked="" type="checkbox"/> Nutrition     | <input checked="" type="checkbox"/> Shopping                              |
| <input checked="" type="checkbox"/> Medical       | <input checked="" type="checkbox"/> Social / Recreation (Please Describe) |

Residents may travel to social/recreation destinations within Orange County (e.g., gatherings with family and friends, restaurants, theatres, concert venues, community events, parks, beaches, libraries, museums, educational facilities, financial institutions, religious institutions, places of worship, cemeteries, etc.), with the exception of John Wayne Airport. Social/recreation travel is not permitted outside of Orange County. The City does not charter buses or otherwise organize group travel to casinos, wineries, or any other destination using SMP funds.

4. SMP Guidelines restricts trips outside of Orange County to medical trips within approximately 10 miles of the Orange County border. Do you intend to provide medical trips outside of Orange County?

Yes     No

If yes, please list the trip purpose and destinations: *(e.g., medical trips to the VA Hospital in Long Beach)*

Medical trips to the Long Beach Veterans Hospital

5. Fare structure:

General travel vouchers ("taxi bucks") save residents 50% of the cost of taxi trips (FY 2015-16). Taxi bucks are available in books valued at \$50 (sold for \$25) and \$100 (sold for \$50). Non-emergency medical transportation ("NEMT") can be arranged by City staff, or purchased by travel voucher (select locations only), at rates ranging from \$4 to \$12 one-way, which saves residents between 60% and 85% (FY 2015-16). Irvine Station travel vouchers cost \$6 one-way, which saves residents 67% (FY 2015-16). The fare structure is subject to periodic modification by the City Council and is re-evaluated at least annually.

6. Number of vehicles:

0

7. Projected annual ridership:

11,500

8. Source(s) of 20 percent match funding:

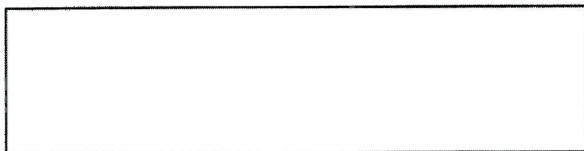
City's General Fund

**Program Requirements:**

1. Jurisdiction/Agency shall follow competitive procurement practices in selection of vendors for all services which it does not provide using its own work force. Any Request for Proposals (RFP) for services shall specify the use of vehicles meeting Americans with Disabilities Act (ADA) accessibility standards.
2. Jurisdiction/Agency will perform, or ensure that a contracted vendor performs, maintenance of all vehicles used in the Senior Mobility program, including, at a minimum:
  - a) Daily Pre-Trip Inspections that meet or exceed the guidelines provided in the attached Pre-Trip Inspection Checklist (Attachment 2)
  - b) Scheduled preventative maintenance that meets or exceeds the guidelines provided in the attached PM Checklist, including the maintenance of all accessibility features of the vehicles.
  - c) Maintain maintenance records for each vehicle for five (5) years and, if required, cooperate fully in annual motor coach carrier terminal inspections conducted by the California Highway Patrol.
3. Jurisdiction/Agency will ensure that its operators, or its contracted vendor's operators, are properly licensed and trained to proficiency to perform duties safely, and in a manner which treats its riders with respect and dignity. Disability awareness and passenger assistance will be included in this training.
4. Jurisdiction/Agency will establish and implement an alcohol and drug program that complies with 41 U.S.C. sections 701-707, (the Drug Free Workplace Act of 1988), and will produce any documentation necessary to establish its compliance with sections 701-707.
5. Jurisdiction/Agency will submit a monthly report to OCTA's Community Transportation Services Department as illustrated in Attachment 3.
6. Jurisdiction/Agency will participate in OCTA marketing and outreach efforts to encourage use of fixed route transit service by older adults.
7. Jurisdiction/Agency will note OCTA sponsorship in any promotional material for service funded under this agreement and will display an OCTA Senior Mobility Program logo on vehicles used in this program (excluding taxis).
8. Jurisdiction/Agency will ensure that it maintains adequate oversight and control over all aspects of services that are provided by a contracted vendor.

**IN WITNESS WHEREOF**, has formally adopted the Senior Mobility Program Scope of Work as written above.

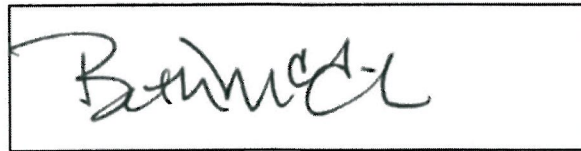
AGENCY REPRESENTATIVE



Name: Christopher Macon

Title: City Manager

OCTA REPRESENTATIVE



Name: Beth McCormick

Title: General Manager, Transit

# Senior Mobility Program

## Project U Funding and Policy Guidelines

March 2016

### 1.0 Overview

The Measure M2 (M2) Project U – Senior Mobility Program (SMP) provides funding to support local, community-based transportation service for seniors. Originally established in 2001 using limited state funding for bus operations, M2 Project U SMP funding was established to continue and expand the existing program. A formula funding allocation was established for all Orange County local jurisdictions based upon their senior population. One percent of M2 net revenue is used to fund the program and local jurisdictions must provide a minimum 20 percent local match of the total annual program expenditures.

The Orange County Transportation Authority (OCTA) Board of Directors approved these guidelines on March 28, 2016. The purpose is to provide structure and definitions for all eligible M2 jurisdictions receiving SMP funding. OCTA shall enforce the provisions spelled out in these guidelines.

### 2.0 Objectives

- To provide for local, community-based senior transportation services.
- To allow local jurisdictions to develop and implement senior transportation services to serve their community.
- To provide transit options for seniors which complement rather than duplicate OCTA fixed route and ACCESS paratransit service.

### 3.0 Eligibility Requirements

Participation in the SMP is contingent upon maintaining M2 eligibility. Local jurisdictions must be eligible to receive M2 funding, established on an annual basis as specified in the M2 Ordinance Requirements for Eligible Jurisdictions, to receive the formula allocation for this program.<sup>1</sup> Adherence to strict funding guidelines is required.

Local jurisdictions are required to submit a Service Plan as described in Section 7.0 and must enter into a cooperative funding agreement with OCTA that defines the conditions of use of SMP funds prior to receiving their SMP funding allocation.

---

<sup>1</sup> Orange County Transportation Authority Ordinance No. 3, Attachment B, Section III

#### **4.0 Funding Allocation Method & Distribution**

Funding for the program is identified as one percent of M2 net sales tax revenue and will be allocated to eligible local jurisdictions based upon the participating jurisdiction's percentage of the senior population of the county. Senior population is determined by using the most current official decennial Census information provided by the U.S. Census Bureau.

Funding allocations are based on actual sales tax receipts. Funding will be distributed on a bi-monthly basis. SMP funds must be expended within three years of receipt.

OCTA may grant a two-year extension beyond the three-year expenditure limitation; however, an extension may not exceed five years from the date of the initial funding allocation. Jurisdictions requesting an extension beyond the three-year limitation must submit a justification letter for review and approval by OCTA at least 90 days prior to the end of the third fiscal year.

In the event the time limits for use of SMP funds are not satisfied, any retained SMP funds that were allocated to an eligible jurisdiction, including interest, shall be returned to OCTA.

#### **5.0 Match Requirements**

Participating jurisdictions must provide a minimum 20 percent local match of the total annual program expenditures. Match funding may be made up of cash subsidies, fare revenues, donations, or in-kind contributions such as salaries and benefits for the jurisdiction's employees who perform work on the program. Jurisdictions may also be required to submit supporting documentation to substantiate local match expenditures. Jurisdictions are not required to contribute the minimum match requirement on a monthly basis; however, the minimum 20 percent match requirement must be met by the end of each fiscal year, defined as June 30.

Jurisdictions not satisfying the annual 20 percent match shall be subject to withholding of funds from future bi-monthly allocations equal to the difference between the amount of Measure M funds actually spent and the amount of Measure M funds actually matched.

**Example:**

Total Program Expenditures	\$100,000
Total M2 Funding Allocation	\$ 80,000
20% Required Match	\$ 20,000
Actual Reported Match	\$ 15,000

## Withholding Calculation:

Total M2 Funds Spent	\$ 80,000
M2 Funding Eligibility Based on Actual Reported Match	- \$ 60,000
Withholding from Future Allocation(s)	\$ 20,000

**6.0 Service Guidelines**

Services provided under the SMP are available to individuals 60 years of age and older. Jurisdictions have discretion in the types of trips provided within Orange County, such as trips to/from senior centers, medical appointments, shopping, personal care, and social/recreational activities. Jurisdictions should use discretion when providing trips for social/recreational activities when developing their Service Plan to ensure prudent and appropriate use of taxpayer funds. SMP trips outside Orange County are restricted to medical trips only within approximately 10 miles of the Orange County border.

Jurisdictions also have discretion in how the service is operated. Senior transportation services may be operated using employees, volunteers, or the jurisdiction may contract with a third-party service contractor. Contractors must be selected using a competitive procurement process and the jurisdiction must ensure the contractor is in compliance with program guidelines and provisions included in the cooperative funding agreement.

Jurisdictions whose program offers subsidized taxi service for seniors must ensure trips provided with SMP funding are consistent with the trip types as specified in these guidelines.

Wheelchair accessible vehicles must be available for SMP service.

Jurisdictions will perform, or ensure that a contractor performs, maintenance of all vehicles used in the Senior Mobility Program. Jurisdictions will ensure that its operators, or its contracted operators, are properly licensed and trained to proficiency to perform duties safely, and in a manner which treats its riders with respect and dignity.

Jurisdictions may receive retired OCTA ACCESS paratransit vehicle(s) to support their senior transportation program. Additional retired ACCESS vehicles may be

purchased, based on availability, for a cost equivalent to the refurbishment costs incurred by OCTA.

## **7.0 Service Plan Adoption**

Participating jurisdictions shall submit to OCTA a SMP Service Plan which defines program services (Exhibit A). The Service Plan must be submitted using a template provided by OCTA and must be adopted by the jurisdiction's governing body and approved by the OCTA Board of Directors. Any deviation from the adopted SMP Service Plan must be submitted to OCTA in advance for review and approval and will require an amendment to the cooperative funding agreement prior to implementing a change in program services.

## **8.0 Eligible Expenses**

Participating jurisdictions shall ensure M2 funds are used for eligible direct program-related expenses which may include contract service providers, staff time, vehicle maintenance, fuel, insurance, vehicle acquisition, program supplies and materials, marketing materials, and community outreach. Jurisdictions shall ensure all costs are program-related and are fair and reasonable. Administrative costs up to 10 percent are allowed and considered eligible program expenses. All program expenses are subject to audit.

No M2 funding shall be used by a jurisdiction for other than transportation purposes authorized in the M2 Ordinance.

## **9.0 Program Revenue**

Participating jurisdictions must maintain adequate controls for collecting and reporting program revenue, including donations, fees, and cash fares. Program revenue must be used to support the transportation service and may be used as part of the jurisdiction's 20 percent local match requirement.

## **10.0 Reporting**

Participating jurisdictions are required to submit monthly reports using a reporting template provided by OCTA (Exhibit B). Required monthly reporting data may include, but is not limited to, the following:

- Number of Trips by Category
- Vehicle Service Hours
- Vehicle Service Miles

- Program Cost Detail by Expense Category and % of Total Operating Cost
- Fares, Fees and Other Operating Revenue
- Jurisdiction Total Contribution & Source
- Jurisdiction Share as % of Total Operating Cost
- Cumulative Jurisdiction Share to Date
- OCTA Contribution
- OCTA Contribution as % of Total Operating Cost
- Cumulative Contribution Received from OCTA
- Total Monthly Program Operating Cost
- Cumulative Total Program Operating Cost

Jurisdictions shall also be required to maintain supporting documentation to substantiate reporting data. Supporting documentation may include, but is not limited to, actual receipts, contractor invoices, trip sheets, payroll, timesheets, fuel logs, and maintenance records/receipts.

Reports are due by the last day of the following month. A preliminary report may be submitted; however, submission of a final report is required within 15 days of the last day of the following month. Failure to meet the established reporting deadline for two months at any time during the fiscal year may result in future withholding of funding and/or other sanctions to be determined.

## **11.0 Audits & Inspection of Records**

M2 funding is subject to audit. Jurisdictions shall maintain program documentation and records for a period of no less than five years. Program documents and records, including but not limited to payroll, trip sheets, invoices, vehicle maintenance, fuel, and other program-related expenses, shall be available for review by OCTA SMP administrators, auditors, and authorized agents upon request. Jurisdictions must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in withholding or loss of future funding. Failure to comply with the approved Service Plan will require remediation which may include repayment, reduction in overall allocation, and/or other sanctions to be determined by the OCTA Board of Directors.

Audits shall be conducted by the OCTA Internal Audit Department, or other authorized agent, as determined by OCTA.

OCTA's failure to insist in any one or more instances of a jurisdiction's performance of the provisions set forth in these guidelines shall not be construed as a waiver or relinquishment of the jurisdiction's obligation to comply with these guidelines.

Moreover, only the OCTA Board of Directors shall have the authority to alter and/or waive any requirements/obligations set forth in these guidelines.



# Senior Mobility Program

## Monthly Reporting Form

EXHIBIT D

### Program Information

Service for the - Month of: July Year of: 2016  
 Program Name: \_\_\_\_\_  
 Participating Agency: \_\_\_\_\_  
 Agency Contact: \_\_\_\_\_  
 Contact Number: \_\_\_\_\_

### Trip Detail

Trip Category	One-Way Trips		Service Hours		Service Miles	
	Jul 2016	FYTD	Jul 2016	FYTD	Jul 2016	FYTD
Senior Center	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Shopping	-	-	-	-	-	-
Personal Care	-	-	-	-	-	-
Social / Recreational	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

### Cost Summary

Cost Category	Jul 2016		FYTD	
	Cost	As a %	Cost	As a %
Service Contract	\$ -	0.0%	\$ -	0.0%
Drivers / Operators / Dispatchers	\$ -	0.0%	\$ -	0.0%
Vehicle Maintenance / Fuel / Insurance	\$ -	0.0%	\$ -	0.0%
Marketing Outreach	\$ -	0.0%	\$ -	0.0%
Administration	\$ -	0.0%	\$ -	0.0%
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>
OCTA Contribution	\$ -	0.0%	\$ -	0.0%
Agency Contribution	\$ -	0.0%	\$ -	0.0%
Program Revenue	\$ -	0.0%	\$ -	0.0%

Source(s) of Agency Contributions:

**Agency hereby certifies that this report is a true, complete and correct statement of program revenue, costs and operating data.**

**! THIS REPORT IS DUE BY THE LAST DAY OF THE MONTH FOLLOWING THE REPORTING MONTH !**

Please send this report by email to [CTSPROGRAMS@OCTA.NET](mailto:CTSPROGRAMS@OCTA.NET) or by fax to **714-560-5927**.

If there are any questions, please contact **JOANNE JACOBSEN** by email at [JJACOBSEN@OCTA.NET](mailto:JJACOBSEN@OCTA.NET) or **JP GONZALEZ** by email at [JGONZALEZ1@OCTA.NET](mailto:JGONZALEZ1@OCTA.NET).

**6.7**  
**STREETLIGHT MAINTENANCE SERVICES**

*This page is intentionally blank.*

**EXTENSION OF THE  
AGREEMENT FOR CONTRACT SERVICES  
BETWEEN THE  
CITY OF LAGUNA WOODS  
AND  
PEAK LIGHTING & ELECTRIC, INC.  
FOR STREETLIGHT MAINTENANCE SERVICES**

This EXTENSION of the AGREEMENT FOR CONTRACT SERVICES ("AGREEMENT") that was entered into on July 1, 2011, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Peak Lighting & Electric, Inc. ("CONTRACTOR"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2016 by and among CITY and CONTRACTOR.

**WHEREAS**, the initial term of the AGREEMENT was for the period between July 1, 2011 and 11:59 p.m. on June 30, 2013; and

**WHEREAS**, the term of the AGREEMENT was previously extended through 11:59 p.m. on June 30, 2016; and

**WHEREAS**, while the AGREEMENT envisioned a maximum term through June 30, 2016, it is advantageous for the AGREEMENT to be extended for a longer period in order to allow CITY to conduct a competitive procurement process for future services.

**NOW THEREFORE**, the parties amend the AGREEMENT as follows:

1. CITY and CONTRACTOR hereby agree to an EXTENSION of the AGREEMENT for a period beginning on July 1, 2016 and ending at 11:59 p.m. on December 31, 2016 with no changes to the terms and conditions of the AGREEMENT.

**IN WITNESS WHEREOF**, the parties hereto have caused this EXTENSION to be executed the day and year first above written.

**CITY OF LAGUNA WOODS:**

By \_\_\_\_\_  
Christopher Macon, City Manager

\_\_\_\_\_  
Date

**CONTRACTOR:**

By \_\_\_\_\_  
Steven Peak, President

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David B. Cosgrove, City Attorney

\_\_\_\_\_  
Date

*This page is intentionally blank.*

## 6.8 LANDSCAPE MAINTENANCE SERVICES

*This page is intentionally blank.*

**EXTENSION AND AMENDMENT OF THE  
AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN THE  
CITY OF LAGUNA WOODS  
AND  
NIEVES LANDSCAPE, INC.  
FOR LANDSCAPE MAINTENANCE SERVICES**

This EXTENSION AND AMENDMENT of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on December 15, 2010 by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Nieves Landscape, Inc. ("CONTRACTOR"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2016 by and among the CITY and CONTRACTOR.

**WHEREAS**, the initial term of the AGREEMENT was for the period between December 20, 2010 and 11:59 p.m. on December 19, 2012 and previously executed extensions extended the term through June 30, 2016; and

**WHEREAS**, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT through a maximum of 11:59 p.m. on December 19, 2018.

**NOW THEREFORE**, the parties amend the AGREEMENT as follows:

1. CITY and CONTRACTOR hereby agree to an extension of the AGREEMENT for a period beginning on July 1, 2016 and ending at 11:59 p.m. on December 31, 2016.
2. Pages 1 and 2 of Section III ("Service Pricing Form") of the AGREEMENT are hereby replaced with the rates and information attached hereto as Exhibit A. Rates are generally increased effective July 1, 2016.

**IN WITNESS WHEREOF**, the parties hereto have caused this EXTENSION AND AMENDMENT to be executed the day and year first above written.

**CITY OF LAGUNA WOODS:**

By _____	_____
Christopher Macon, City Manager	Date

**CONTRACTOR:**

By _____	_____
Greg Nieves, President	Date

**APPROVED AS TO FORM:**

_____	_____
David B. Cosgrove, City Attorney	Date

*This page is intentionally blank.*



ITEM 6.8 – Exhibit A

**City Centre Park** 60 to 140 foot wide by 350 foot long park with trees, shrubs, ground cover, and a concrete path and terrace with decomposed granite and pavers 2/3 of an acre

**Ridge Route Linear Park** 40 foot wide right of way that follows the Laguna Woods Village fence or wall from Moulton Parkway to 1,500 feet west of Avenida de la Carlota, not including the dog park and parking lot, with trees, shrubs, and ground covers, as well as a decomposed granite pathway 2,865 linear feet

**Woods End Wilderness Preserve** 30 foot park frontage with trees, shrubs, a decomposed granite pathway, and a lookout area at entry hilltop with trees, a bench, and a kiosk 400 linear feet

CITY HALL: Monthly Fixed Fee: \$406.25

**City Hall** Landscaped areas adjacent to the building with trees, shrubs, ground cover, and mulch/wood chips 1,000 square feet

TOTAL – PUBLIC RIGHT-OF-WAY, CITY PARKS, AND CITY HALL:

Total Monthly Fixed Fee: \$12,206.25

**6.9**  
**GENERAL MUNICIPAL ELECTION**

*This page is intentionally blank.*

**RESOLUTION NO. 16-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016 FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

**WHEREAS**, under the provision of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on Tuesday, November 8, 2016, for the election of Municipal Officers.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** That pursuant to the requirements of the laws of the State of California relating to general law cities, there is called and ordered to be held in the City of Laguna Woods, California, on Tuesday, November 8, 2016, a General Municipal Election for the purpose of electing three (3) members of the City Council for the full term of four (4) years (“Election”).

**SECTION 2.** That the ballots to be used at the Election shall be in the form and content as required by law.

**SECTION 3.** That the City Clerk is authorized, instructed, and directed to coordinate with the County of Orange Registrar of Voters and to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the Election.

**SECTION 4.** That the polls for the Election shall be open at seven o’clock a.m. of the day of the election and shall remain open continuously from that time until eight o’clock p.m. of the same day when the polls shall be closed, pursuant to Election Code Section 10242, except as provided in Election Code Section 14401.

**SECTION 5.** That in all particulars not recited in this resolution, the Election shall be held and conducted as provided by law for holding municipal elections.

**SECTION 6.** That notice of the time and place of holding the Election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the Election in time, form, and manner as required by law.

**SECTION 7.** That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of Orange Registrar of Voters, the City Council, in accordance with Election Code Section 15651(a), shall set a date, time, and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

**SECTION 8.** That the City Clerk is authorized to administer the Election and all reasonable and actual Election expenses shall be paid by the City upon presentation of a properly submitted bill.

**SECTION 9.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2016.

---

NOEL HATCH, Mayor

ATTEST:

---

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do  
HEREBY CERTIFY that the foregoing **Resolution No. 16-XX** was duly adopted  
by the City Council of the City of Laguna Woods at an adjourned regular meeting  
thereof, held on the XX day of XX 2016, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:         COUNCILMEMBERS:

---

YOLIE TRIPPY, Deputy City Clerk

*This page is intentionally blank.*

**RESOLUTION NO. 16-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE DATE PURSUANT TO §10403 OF THE ELECTION CODE

**WHEREAS**, the City Council called a General Municipal Election to be held on Tuesday, November 8, 2016, for the purpose of electing three (3) members of the City Council for the full term of four (4) years; and

**WHEREAS**, it is desirable that the City’s General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City, the precincts, polling places, and election officers of the two elections be the same, and that the county election department of the County of Orange canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** That pursuant to the requirements of Election Code Section 10403, the Board of Supervisors of the County of Orange is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 8, 2016, for the purpose of electing three (3) members of the City Council for the full term of four (4) years (“Election”).

**SECTION 2.** That the county election department of the County of Orange is authorized to canvass the returns of the General Municipal Election. The Election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The Election will be held and conducted in accordance with the provisions of law regulating the statewide election, including without limitation, Election Code Section 10418.

**SECTION 3.** That the Board of Supervisors is requested to issue instructions to the county election department of the County of Orange to take any and all steps necessary for the holding of the consolidated election.

**SECTION 4.** That the City of Laguna Woods recognizes that additional costs will be incurred by the County of Orange by reason of this consolidation and agrees to reimburse the County of Orange for any costs upon presentation of a properly submitted bill.

**SECTION 5.** That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the county election department of the County of Orange.

**SECTION 6.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2016.

---

NOEL HATCH, Mayor

ATTEST:

---

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do  
HEREBY CERTIFY that the foregoing **Resolution No. 16-XX** was duly adopted  
by the City Council of the City of Laguna Woods at an adjourned regular meeting  
thereof, held on the XX day of XX 2016, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

---

YOLIE TRIPPY, Deputy City Clerk

*This page is intentionally blank.*

**8.1**

**FISCAL YEAR 2016-17 BUDGET & WORK PLAN**

*This page is intentionally blank.*



# City of Laguna Woods Agenda Report

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Christopher Macon, City Manager  
**FOR:** June 29, 2016 Adjourned Regular Meeting  
**SUBJECT:** Fiscal Year 2016-17 Budget & Work Plan

---

## **Recommendation**

Approve resolutions entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEAR 2016-17 BUDGET COMMENCING JULY 1, 2016 AND ENDING JUNE 30, 2017

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A SEVEN-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2016-17 THROUGH 2022-23 IN COMFORMANCE WITH MEASURE M2 REQUIREMENTS

AND

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17 COMMENCING JULY 1, 2016 AND ENDING JUNE 30, 2017

**Background**

The proposed Fiscal Year 2016-17 Budget & Work Plan (Attachment A) outlines a scope of work and financial plan for the City to undertake during the fiscal year beginning on July 1, 2016 and ending on June 30, 2017.

City Council meetings were held on April 27, 2016, May 18, 2016, and June 15, 2016 to discuss and provide direction to staff on the development of the Fiscal Year 2016-17 Budget & Work Plan and allow opportunities for public comment.

**Discussion**

The proposed Fiscal Year 2016-17 Budget & Work Plan includes expenditures totaling \$6,692,128. The General Fund operating budget is balanced and accounts for the majority of expenditures at \$5,248,513. At the end of the fiscal year, it is projected that the unallocated/unassigned General Fund balance will be \$6,994,162, (or, 133%, of Fiscal Year 2016-17 operating expenditures). That balance would be in addition to assigned and committed reserves totaling \$2,630,500.

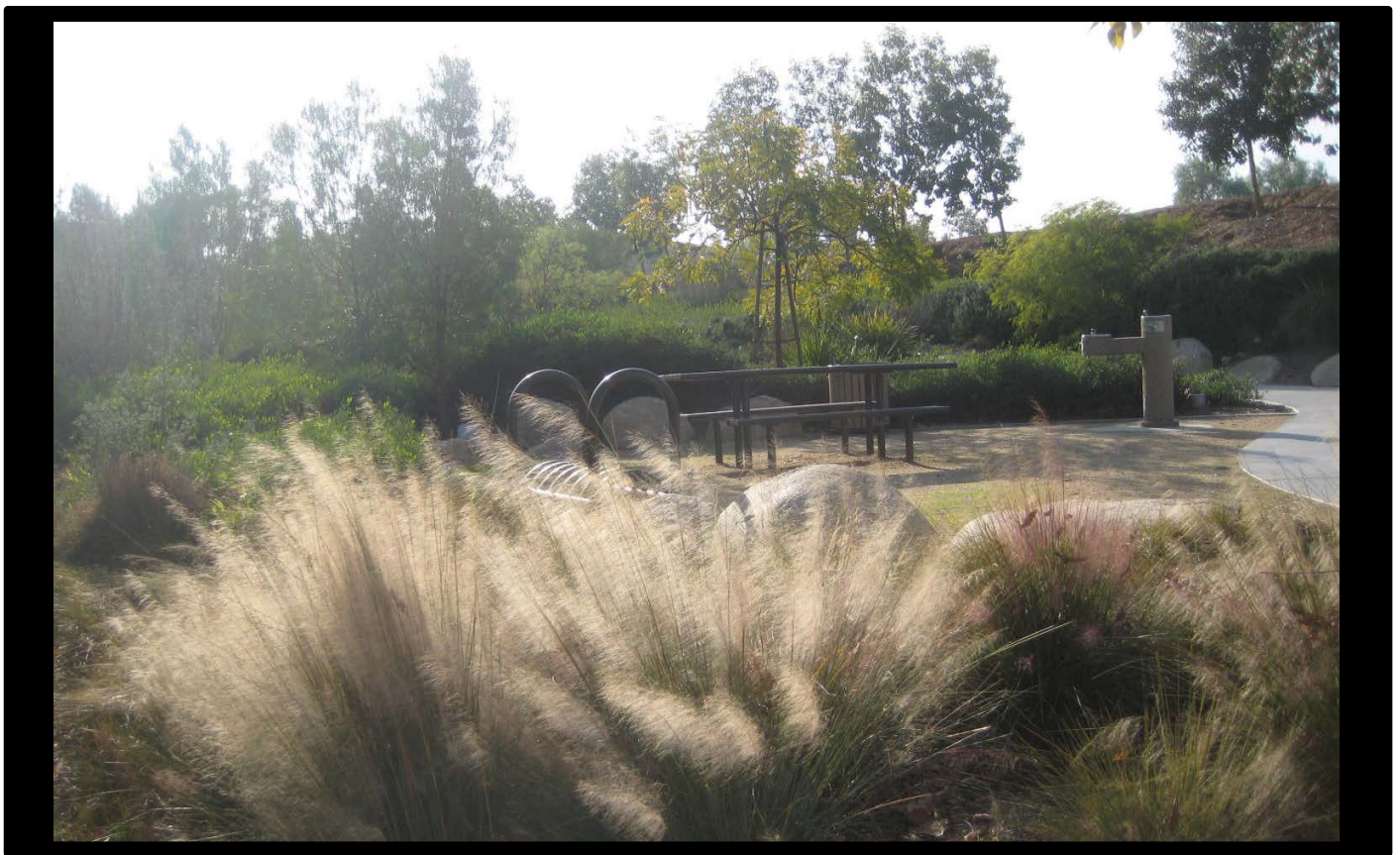
Since the City Council's meeting on June 15, 2016, staff has made several minor modifications to the proposed Fiscal Year 2016-17 Budget & Work Plan. A new significant work plan item has also been added related to a Request for Proposals process for streetlight maintenance services and additional funds have been added to the General Fund non-operating budget for payroll tax reconciliations.

The proposed budget and work plan adoption resolution (Attachment B) includes the establishment of several committed and assigned reserves. The annual target for the Paid Leave Contingency Fund is calculated based on projected accrued paid leave balances at the end of each fiscal year (June 30), in accordance with the City's paid leave policies and obligations. Once fiscal-year-end calculations are available to finalize such a calculation, the City Council will be asked to adjust the annual targets for committed and assigned reserves, accordingly.

Report Prepared With: Margaret Cady, CPA, Administrative Services Director/City Treasurer

Attachments: A – Proposed Fiscal Year 2016-17 Budget & Work Plan  
B – Proposed Budget and Work Plan Adoption Resolution  
C – Proposed Capital Improvement Program Adoption Resolution  
D – Proposed Annual Appropriations Limit Adoption Resolution

# *City of Laguna Woods* Fiscal Year 2016-17 Budget & Work Plan



City of Laguna Woods  
24264 El Toro Road  
Laguna Woods, CA 92637  
[www.cityoflagunawoods.org](http://www.cityoflagunawoods.org)

June 29, 2016

*This page is intentionally blank.*

# *City of Laguna Woods*

## Fiscal Year 2016-17 Budget & Work Plan

June 29, 2016



Noel Hatch  
Mayor

Shari L. Horne  
Mayor Pro Tem

Cynthia Conners  
Councilmember

Bert Hack  
Councilmember

Carol Moore  
Councilmember

Christopher Macon  
City Manager

Margaret Cady, CPA  
Administrative Services Director/  
City Treasurer

*This page is intentionally blank.*

# TABLE OF CONTENTS

---

Cover	
Title Page	
Table of Contents.....	i
Transmittal Letter.....	iii
Chapter 1.0. City Background.....	1
Chapter 2.0. City Organization.....	9
Chapter 3.0. City Work Plan.....	19
Chapter 4.0. City Capital Projects.....	35
Chapter 5.0. City Budget Practices.....	49
Chapter 6.0. City Budget Detail.....	59
Appendices ( <i>APPENDICES B, C, AND D ARE NOT INCLUDED IN THIS DRAFT DOCUMENT</i> )	
A – Administrative Policy 2.9 (Budgeting, Reserves, and Reporting)	
B – Resolution No. 16-XX (Budget and Work Plan Adoption)	
C – Resolution No. 16-XX (Capital Improvement Program Adoption)	
D – Resolution No. 16-XX (Annual Appropriations Limit Adoption)	
E – Glossary of Terms and Acronyms	

*This page is intentionally blank.*

# TRANSMITTAL LETTER

---

June 29, 2016

Honorable Mayor and Members of the City Council:

It is my privilege to present the City of Laguna Woods' Fiscal Year 2016-17 Budget & Work Plan. This document establishes a scope of work and financial plan for the City to undertake during the fiscal year beginning on July 1, 2016 and ending on June 30, 2017.

The programs, projects, and services provided for herein, are intended to continue to fulfill the City's legal responsibilities as set forth in State law and advance efforts with respect to the City Council's six priority focus areas (see *below*). The priority focus areas articulate the goals and intended outcomes of this budget and work plan, while also reinforcing the City's commitment to the delivery of exemplary municipal services rich in public value.

## ***City Council's Priority Focus Areas***

A City that is...



Healthy and safe



High in quality of life



Environmentally conscious



Economically prosperous



Fiscally responsible



Professionally and efficiently served

Inclusive of all funds, expenditures for Fiscal Year 2016-17 total \$6,692,128. The General Fund operating budget is balanced and accounts for the majority of expenditures at \$5,248,513. At the end of the fiscal year, it is projected that the unallocated (or, unassigned) General Fund balance will be \$6,994,162, (or, 133%, of Fiscal Year 2016-17 operating expenditures). That balance would be in addition to assigned and committed reserves totaling \$2,630,500.

This budget and work plan continues the conservative approach to budget development that has been a key contributing factor to the City's economic viability. While revenue is generally expected to increase slightly during Fiscal Year 2016-17, the risks posed by the lack of a strong and diversified local sales tax base, as well as a continued downward trend in fuel tax revenue due, in part, to statewide reductions in gasoline prices and consumption, continue to be of significant concern. Though faced with a less dramatic increase than in the prior fiscal year, law enforcement costs continue to rise at an alarming rate, exacerbated by labor agreements approved by the Orange County Board of Supervisors with higher salary and benefit costs.

Fiscal Year 2016-17 marks the final year for which a single-year budget and work plan will be developed. Beginning next fiscal year, the City will transition to two-year budgeting, which will allow for improved long-term planning and organizational stability. To prepare for that transition, the City has expanded its budget presentation; improved the quality and transparency of its annual financial reporting; updated policies and practices pertaining to investing, budgeting, reserves, and reporting; and, laid the framework for longer-term strategic financial planning. Those efforts have resulted in the City receiving the Operating Budget Excellence Award for Fiscal Year 2015-16 from the California Society of Municipal Finance Officers (CSMFO) and the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Finance Report (CAFR) for Fiscal Year 2014-15 from the Government Finance Officers Association (GFOA). Earning the Certificate of Achievement for the City's first-ever CAFR was particularly gratifying, as the CAFR represents a significant improvement in transparency and financial recordkeeping.

Public safety has long been considered one of the principal benefits of living and working in Laguna Woods. In 2016, Laguna Woods was named:

- One of the Top 50 Safest Cities in California by SafeWise;
- The third safest city in California by BackgroundChecks.org; and
- Home of the second lowest odds of burglary of any city in California by ConsumerAffairs.com.

This budget and work plan dedicates substantial resources toward ensuring that public safety remains high. In addition to continuing partnerships with the Orange County Sheriff's Department, Orange County Fire Authority, and City of Laguna Beach (for animal control and shelter services), an update of the City's Emergency Operations Plan will be undertaken.

Fiscal Year 2016-17 will also see a renewed emphasis on the care and upkeep of City parks. In addition to new seating areas and waste receptacles, park users will benefit from enhanced maintenance programs aimed at improving the enjoyment, quality, and ease of park-going experiences.

One of the most important accomplishments of the prior fiscal year was the approval of a new solid waste handling services franchise. This budget and work plan calls for the continued implementation of the franchisee's services, as well as other waste and recycling services, including a new Sharps waste drop-off program and a National Prescription Drug Take-Back Day event.

I am pleased to report that the City has secured a five-year funding extension for the Senior Mobility Program, which dramatically subsidizes the cost of taxi transportation for residents who are 60 years of age and older. The funding extension ensures that the Program will continue for years to come.

Finally, as I have done in the past, I would like to take a moment to reiterate the sense of partnership that the City feels with the broader Laguna Woods community. Above all else, this budget and work plan has been developed with an abiding concern for the quality of life, health, safety, wellness, and wellbeing of those who call Laguna Woods home. This budget and work plan is not only balanced and fiscally prudent; it is a critical tool as we continue to build a stronger, more sustainable, and more vibrant City of Laguna Woods.

Respectfully submitted,



Christopher Macon  
City Manager

*This page is intentionally blank.*

# 1.0. CITY BACKGROUND

---

*This chapter is intended to provide a brief overview of the City of Laguna Woods in order to establish a context for understanding the decision-making that resulted in this budget and work plan.*

## **A BRIEF HISTORY**

Laguna Woods, California occupies approximately three square miles of land that was once a part of South Orange County's expansive Moulton Ranch. Prior to the 1960s, dry farming and cattle grazing dominated the area, with a few scattered ranch dwellings and barns.

In 1962, Ross Cortese, a young developer whose previous projects included Rossmoor and Leisure World Seal Beach, purchased a portion of the Moulton Ranch. His goal was to create a second Leisure World community or, as he said, "to supply the basic needs of life for people aged 52 and older; create a serene atmosphere of beauty; and provide security, recreation, and religious facilities – then leave the living to the individual." His dream materialized and in 1964 Leisure World Laguna Hills received its first residents.

The prospect of incorporation first arose in 1971 and was a lingering issue until 1996, when the potential for a reduction in County services and the possibility of a commercial airport at the nearby site of the former Marine Corps Air Station, El Toro, became very real concerns. Proponents of cityhood were successful in gaining the necessary approvals and signatures to place the issue of incorporation on the ballot for a special election on March 2, 1999.

On March 24, 1999, Laguna Woods officially became Orange County's 32<sup>nd</sup> city. In an afternoon ceremony, Superior Court Judge Francisco F. Firmat swore in the five-newly elected members of the City Council.

Today, Laguna Woods is bordered by unincorporated areas, as well as the cities of Aliso Viejo, Irvine, Laguna Beach, and Laguna Hills. It includes the private gated community of Laguna Woods Village (formerly Leisure World Laguna Hills), several senior-oriented residential communities, a number of commercial centers, three public parks, and additional open space areas.

The City of Laguna Woods celebrated its 17<sup>th</sup> anniversary in 2016.

## PHYSICAL LOCATION

Laguna Woods occupies approximately three square miles of land in Orange County, California and is bordered by the cities of Aliso Viejo, Irvine, Laguna Beach, and Laguna Hills, as well as unincorporated and undeveloped open space owned by the County of Orange and the City of Laguna Beach.

Transportation routes near Laguna Woods include the Interstate 5 Freeway (I-5) and State Routes 73 (SR-73) and 133 (SR-133). Portions of SR-73 and SR-133 are operated as toll roads by the Transportation Corridor Agency.

*[Regional Location]*



## LOCAL GOVERNMENT

The City of Laguna Woods is a “general law city” with a “Council-Manager” form of local government, meaning that it operates within the parameters of California municipal law with an elected City Council that is responsible for legislative and policy functions. The City Council appoints and supervises a professional City Manager charged with the “day-to-day” responsibilities of managing the City and implementing City Council laws and policy. The City Council also appoints a City Attorney to serve as the City’s legal counsel. The five members of the City Council are residents elected at large by registered voters to four-year terms. Elections are held in even numbered years with two and then three Councilmembers elected at subsequent elections. The City Council appoints a Mayor and Mayor Pro Tem from amongst its membership.

*[Elected Officials]*

Mayor.....Noel Hatch  
Mayor Pro Tem.....Shari L. Horne  
Councilmember.....Cynthia Conners  
Councilmember.....Bert Hack  
Councilmember.....Carol Moore

*[Key Appointed Officials]*

City Manager.....Christopher Macon  
City Attorney.....David B. Cosgrove

The City has eight and nine-tenths full-time equivalent (FTE) employees who are responsible for delivering a full range of municipal services. The City operates as a “contract city” meaning that its small in-house staff leverage the resources of a variety of contract, franchise, and joint powers agencies to provide efficient, effective, and economical services. If the City were a “full service city,” those services would be provided by City employees often at higher costs and with considerably greater liability. While contract service providers may charge the City for current year liabilities, the City’s contract service arrangements do not result in the assumption of any other agency’s long-term retirement or other post-employment benefit (OPEB) liabilities.

*[Key Operating Contract Service Providers]*

Animal Control & Shelter Services.....City of Laguna Beach  
Building Inspection & Engineering Services.....CivilSource  
Code Enforcement & Landscape Inspection Services.....  
AndersonPenna Partners  
Landscape Maintenance Services.....Nieves Landscaping  
Law Enforcement Services.....Orange County Sheriff’s Department  
Legal Services.....Rutan & Tucker, LLP  
Planning Services.....Michael Baker International  
Right-of-Way Maintenance Services.....PV Maintenance

Fire services are provided by the Orange County Fire Authority (OCFA). Unlike the Orange County Sheriff's Department, which provides law enforcement services pursuant to a contract with the City, OCFA's services are provided pursuant to a joint powers agreement and structural fire fund. As a "structural fire fund city," a fire tax is included in Laguna Woods' 1% basic property tax levy (approximately 12 cents of every dollar of property tax paid in Fiscal Year 2014-15). The fire tax was established prior to both the enactment of Proposition 13 in 1978 and the incorporation of the City in 1999. The County of Orange collects the fire tax, accumulates the proceeds in a structural fire fund, and makes payments to OCFA for Laguna Woods' fire services. Because the City is not involved in the levy, collection, or disbursement of the fire tax, expenses for fire services are not reported in this budget and work plan.

Insurance and risk management services are provided by the California Joint Powers Insurance Authority (California JPIA). The California JPIA provides its services pursuant to a joint powers agreement.

Waste and recycling services, including solid and household hazardous waste collection, are provided by franchise and contract service providers.

*[Key Special Districts & Utility Providers]*

Electricity.....	Southern California Edison
Natural Gas.....	Southern California Gas Company
Library.....	OC Public Libraries
School District.....	Saddleback Valley Unified School District South Orange County Community College District
Transportation.....	Orange County Transportation Authority San Joaquin Hills Transportation Corridor Agency
Vectors.....	Orange County Mosquito and Vector Control District
Water & Sewer.....	El Toro Water District

**CITY PROPERTIES**

Most of the land within Laguna Woods is privately owned, including all local roadways with the exception of El Toro Road, Moulton Parkway, Ridge Route

Drive, and Santa Maria Avenue. The City is responsible for operating and maintaining portions of those four roadways, as well as three public parks (City Centre Park, Ridge Route Linear Park/"A Place for Paws" Dog Park, and Woods End Wilderness Preserve); a multi-modal trail network for pedestrians, golf carts, and bicyclists; and, parkways, medians, and other areas of public right-of-way. Laguna Woods City Hall is located at 24264 El Toro Road.

## LOCAL DEMOGRAPHICS

The State of California’s Department of Finance (DOF) estimates that Laguna Woods’ population was 16,213 as of January 1, 2016, a 0.3% increase from the year prior<sup>1</sup>. DOF estimates incorporate United States Census counts, the most recent of which found that Laguna Woods’ population was 16,192<sup>2</sup>. The population is known to experience some seasonal variation with the total number of residents present at any given time remaining mostly constant.

### [Age]

Age	Population (2000 Census)	Population (2010 Census)
Median age	78 years	77.4 years
Birth to 34 years	1.6%	1.4%
35 to 54 years	3.6%	4.2%
55 to 74 years	32.4%	39%
75 to 84 years	41.1%	55.5%
85 years and over	21.2%	23.9%

### [Gender]

Gender	Population (2000 Census)	Population (2010 Census)
Male	34.1%	35.5%
Female	65.9%	64.5%

<sup>1</sup> State of California, Department of Finance, *E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2015 and 2016*. Sacramento, California, May 2016.

<sup>2</sup> U.S. Census Bureau, 2010 Census.

[Race and Ethnicity]

Racial/Ethnic Group	Population (2000 Census)	Population (2010 Census)
White	96.1%	87.3%
Asian	2.5%	10%
Asian Indian	0.1%	0.4%
Chinese	0.7%	3.1%
Filipino	0.6%	1.7%
Japanese	0.5%	1.1%
Korean	0.4%	3.1%
Vietnamese	0.1%	0.2%
Other Asian	0.1%	0.3%
Black or African American	0.2%	0.7%
Hispanic or Latino	2.1%	4%
All Other Races	0.4%	0.8%

[Language Spoken at Home<sup>3</sup>]

Subject	Speak English "very well"	Speak English less than "very well"
Population 5 years and over	91.6%	8.4%
Speak a language other than English	55.9%	44.1%
Speak Spanish or Spanish Creole	67.3%	32.7%
Speak other Indo-European languages	64.9%	35.1%
Speak Asian & Pacific Island languages	46.7%	53.3%
Speak other languages	26.7%	73.3%

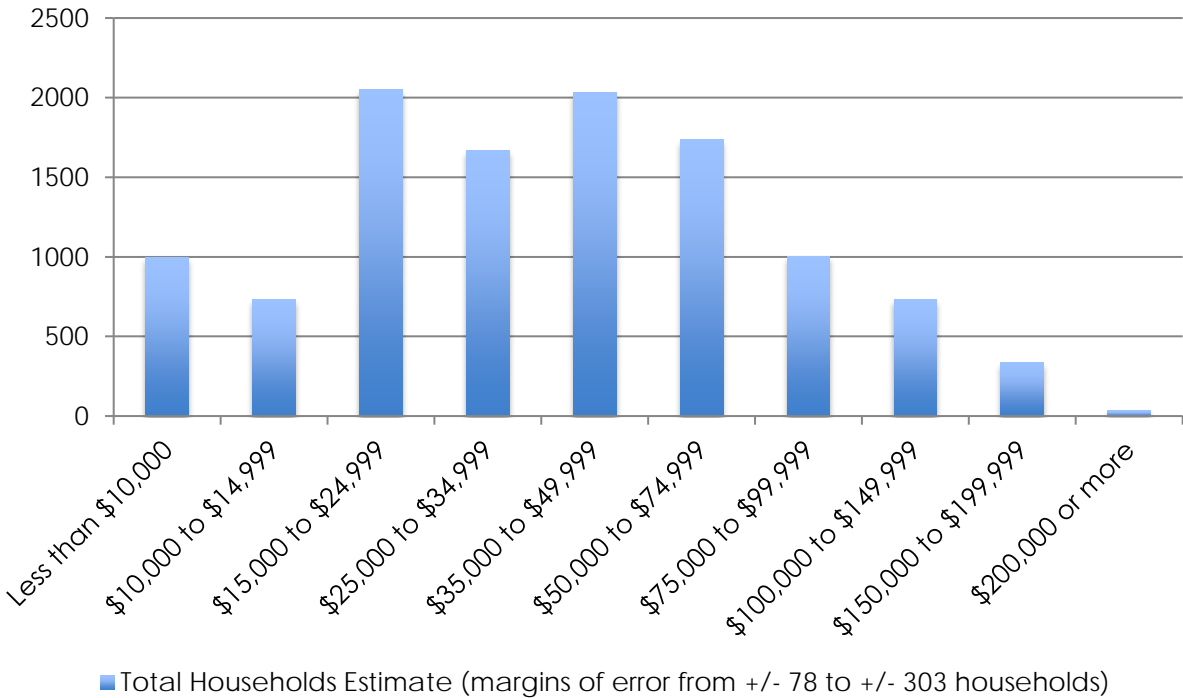
[Household Size]

Subject	Measure (2000 Census)	Measure (2010 Census)
Average household size	1.40	1.42

<sup>3</sup> U.S. Census Bureau, 2008-2012 American Community Survey. Note: The American Community Survey produces population, demographic, and housing unit estimates only. Estimates for the "Language Spoken at Home" data for Laguna Woods are subject to margins of error from +/- 1.5% to +/- 38.6%.

[Household Income<sup>4</sup>]

Subject	Measure	Margin of Error
Median household income	\$36,818	+/- \$2,001
Mean household income	\$53,033	+/- \$3,839



As a point of comparison, the State of California’s median household income as reported in the 2008-2012 American Community Survey is \$61,400. Laguna Woods’ median household income is \$24,582 less per year, or approximately 60% of the State’s median household income.

## LOCAL ECONOMY

### Residential Communities

The vast majority of land within Laguna Woods is occupied by residential uses, which include five private residential communities offering an assortment of condominium, cooperative, rental, and assisted living housing totaling 13,386 units. Laguna Woods Village is the largest community with 12,736 units (or, approximately 95% of all units), including 311 units located in high-rise towers.

<sup>4</sup> U.S. Census Bureau, 2008-2012 American Community Survey. Note: The American Community Survey produces population, demographic, and housing unit estimates only. Estimates for the “Income and Benefits” data for Laguna Woods are reported in 2012 inflation-adjusted dollars.

Other communities include Las Palmas (184 units), The Regency (192 units), San Sebastian (134 units), and Whispering Fountains (140 units).

### Places of Worship

Laguna Woods is home to five dedicated places of worship serving Catholic, Jewish, Lutheran, Methodist, and Presbyterian faiths. Other faith-based groups and religious communities meet in locations throughout Laguna Woods.

### Shopping Centers, Hotels, and Commercial Properties

At just over three square miles, most of the land within Laguna Woods is zoned for residential, open space, and other non-commercial purposes. While less than one-fifth of a square mile is zoned as commercial, residents and visitors enjoy a wide assortment of retail, professional, and medical services.

Laguna Woods is served by the following five shopping centers:

- Town Centre (north of El Toro Road, west of Moulton Parkway)
- Home Depot Center (south of El Toro Road, west of Moulton Parkway)
- PS Business Park (south of Ridge Route Drive, east of Moulton Parkway)
- Valencia Center (south of El Toro Road, west of Paseo de Valencia)
- Willow Tree Center (south of El Toro Road, east of Moulton Parkway)

Laguna Woods is home to the 138-room Ayres Hotel in Town Centre.

Additional commercial properties are located:

- In the vicinity of Moulton Parkway, east of Town Centre
- In the vicinity of Moulton Parkway at El Toro Road
- In the vicinity of Via Campo Verde, west of Moulton Parkway
- In the vicinity of Calle Aragon, east of Moulton Parkway
- In the vicinity of Paseo de Valencia, south of Valencia Center
- Northwest of Laguna Hills Drive and Paseo de Valencia
- Northwest of El Toro Road and Paseo de Valencia

# 2.0. CITY ORGANIZATION

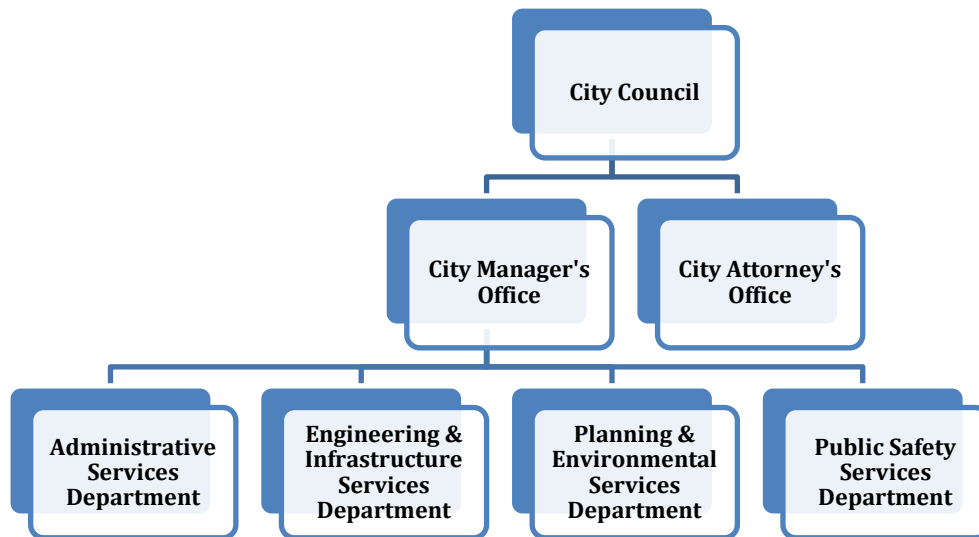
*This chapter is intended to provide a brief overview of the City of Laguna Woods' internal structure in order to establish a context for understanding how this budget and work plan will be implemented.*

## DEPARTMENTAL STRUCTURE

The City is organized into the following seven departments:

- City Council
- City Manager's Office
- City Attorney's Office
- Administrative Services Department
- Engineering & Infrastructure Services Department
- Planning & Environmental Services Department
- Public Safety Services Department

*[Organizational Chart – Departments]*



As a contract city, many departmental functions are coordinated by City personnel and performed under contract with independent, franchise, and joint powers agencies. This chapter reviews the organizational structures and allocations of City personnel and the City Attorney's Office.

## **CITY COUNCIL**

*Noel Hatch, Mayor*  
*Shari L. Horne, Mayor Pro Tem*  
*Cynthia Conners, Councilmember*  
*Bert Hack, Councilmember*  
*Carol Moore, Councilmember*

The City Council is the governing body for the City. Its five members are directly accountable to the Laguna Woods electorate and are responsible for providing overall legislative and policy direction for the City as an organization. As a body, the City Council is also responsible for appointing the City Manager and the City Attorney, as well as adopting the City's budget.

The Mayor and Mayor Pro Tem are appointed annually by the members of the City Council to preside over City Council meetings; execute certain legal instruments and authorizations; and, attend to various ceremonial matters.

## **CITY ATTORNEY'S OFFICE**

*David B. Cosgrove, City Attorney (under contract with Rutan & Tucker, LLP)*

The City Attorney is appointed by the City Council and serves as chief legal counsel for the City as an organization. The City Attorney reports to the City Council and works closely with the City Manager.

In addition to furnishing legal advice to the City Council and City personnel on matters related to the conduct of City business, the City Attorney's Office is responsible for preparing, reviewing, and approving the form of ordinances, resolutions, agreements, and other legal instruments.

The City Attorney's Office is a contract function. Associated expenditures are included in the Legal Services line item of the General Government section of this budget; however, legal services rendered for special projects, and other related expenditures, may be charged to those projects.

## **PERSONNEL ALLOCATION**

In addition to the five elected members of the City Council, this budget and work plan includes an authorized personnel allocation of eight and nine-tenths full-time equivalent (FTE) positions. Compared to the previous fiscal year, that

personnel allocation represents a reduction of one-half of a full-time position and an increase of two part-time positions, for a net increase of four-tenths of one FTE position. The two part-time positions are ineligible for California Public Employees' Retirement System (CalPERS) benefits and do not increase the City's other post-employment benefits (OPEB) liabilities.

Modifications to the personnel allocation are a continuation of the structural reorganization focused on efficiency, sustainability, and service delivery that was initiated in Fiscal Year 2014-15. Modifications continue to be made in order to promote the efficient, effective, and economical conduct of City business.

*[Personnel Allocation – Citywide]*

Position	Number Authorized			
	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
<i>Full-Time Employees [full-time equivalents (FTE)]</i>				
City Manager	1.00	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00	-
Administrative Services Director/City Treasurer	-	1.00	1.00	1.00
Accounting Clerk	-	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00
Building Official	1.00	-	-	-
Community Services Manager	1.00	1.00	0.50	-
Deputy City Clerk	1.00	1.00	1.00	1.00
Finance Manager	1.00	-	-	-
Management Analyst/ Senior Management Analyst	-	-	1.00*	2.00
Management Assistant	1.00	1.00	1.00*	-
Planning Manager	1.00	1.00	-	-
Public Safety Director	1.00	-	-	-
Senior Accountant	-	1.00	1.00	1.00
Total FTE – full-time positions	10.00	10.00	8.50	8.00

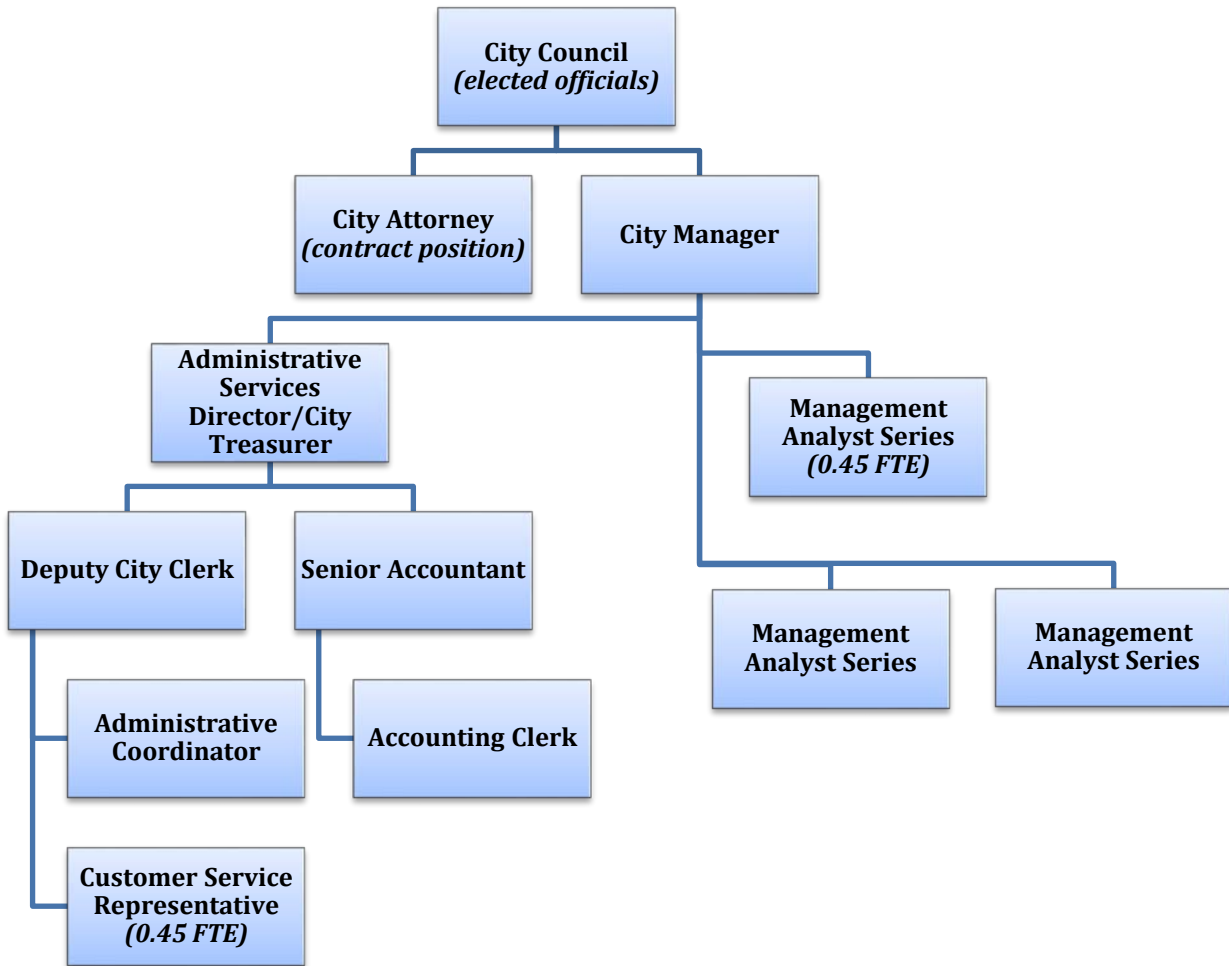
<i>Part-Time Employees [full-time equivalents (FTE)]</i>				
Accountant	0.50	-	-	-
Administrative Assistant	1.50	1.00	-	-
Customer Service Representative	-	-	-	0.45

Position	Number Authorized			
	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Management Analyst/ Senior Management Analyst	-	-	-	0.45
Total FTE – part-time positions	2.00	1.00	-	0.90

Total FTE – all positions	12.00	11.00	8.50	8.90
Year-over-year change		-1.00	-2.50	0.40

\* These positions were authorized for only a portion of the fiscal year, resulting in a total net FTE of 1.00.

## REPORTING RELATIONSHIPS



## CITY MANAGER'S OFFICE

*Christopher Macon, City Manager*

The City Manager is appointed by the City Council and is responsible for the "day-to-day" management of the City as an organization. The City Manager is also responsible for implementing City Council direction and policy, as well as serving as the City Council's chief technical advisor. All City employees work under the ultimate direction of the City Manager.

In addition to providing organizational oversight and development, the City Manager's Office works closely with the City Attorney's Office; facilitates public and inter-governmental relations; manages long-range planning and special projects; coordinates competitive procurement activities; and, oversees the Residential Energy Efficiency Improvement Program.

Though presented separately for ease of reference, the Public Safety Services Department receives ongoing support from personnel accounted for in the City Manager's Office section of this budget. Due to changes in personnel and resource availability, during Fiscal Year 2016-17, the City Manager's Office will provide increased oversight of the Engineering & Infrastructure Services Department and the Planning & Environmental Services Department.

### *[Personnel Allocation – City Manager's Office]*

Position	Number Authorized		
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
<i>Full-time Employees [full-time equivalents (FTE)]</i>			
City Manager	1.00	1.00	1.00
Community Services Manager	1.00	0.50	-
Management Assistant	1.00	1.00	-
Total FTE – full-time positions	3.00	2.50	1.00
<i>Part-time Employees [full-time equivalents (FTE)]</i>			
Management Analyst/ Senior Management Analyst	-	-	0.45
Total FTE – part-time positions	-	-	0.45
Total FTE – all positions	3.00	2.50	1.45

Personnel allocated to the City Manager’s Office are included in the General Government expenditures section of this budget.

*[Organizational Chart – City Manager’s Office]*



**ADMINISTRATIVE SERVICES DEPARTMENT**

*Margaret Cady, CPA, Administrative Services Director/City Treasurer*

The Administrative Services Department contains a variety of internal business units, including finance, accounting, payroll, human resources, information technology, risk management, and the City Clerk’s Office.

*Community Services Division*

The Administrative Services Department’s Community Services Division includes the following service areas: community recreation events, local government television programming (Channel 31), and the Senior Mobility Program.

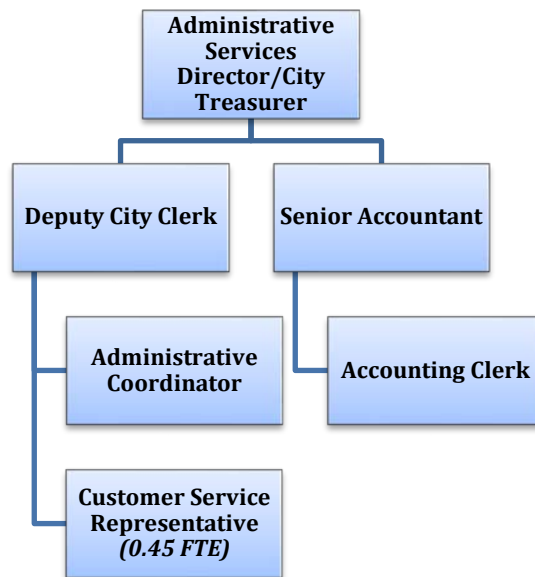
*[Personnel Allocation – Administrative Services Department]*

Position	Number Authorized		
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
<i>Full-time Employees [full-time equivalents (FTE)]</i>			
Administrative Services Director/City Treasurer	1.00	1.00	1.00
Accounting Clerk	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00
<b>Total FTE – full-time positions</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

Position	Number Authorized		
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
<i>Part-time Employees [full-time equivalents (FTE)]</i>			
Administrative Assistant	1.00	-	-
Customer Service Representative	-	-	0.45
Total FTE – part-time positions	1.00	-	0.45
Total FTE – all positions	6.00	5.00	5.45

Personnel expenses directly related to community events are included in the Community Services expenditures section of this budget. Personnel other than those allocated to the Administrative Services Department may also work at community events and be charged accordingly.

*[Organizational Chart – Administrative Services Department]*



## ENGINEERING & INFRASTRUCTURE SERVICES DEPARTMENT

The Engineering & Infrastructure Services Department includes the following service areas: capital improvement projects, engineering, and maintenance (including maintenance of roadways, parks, landscaped areas, public rights-of-way, bus shelters, catch basins, streetlights, and City Hall).

Due to changes in personnel and resource availability, during Fiscal Year 2016-

17, increased oversight will be provided by the City Manager’s Office. Long-term and sustainable staffing patterns are areas of continuing analysis and will be addressed as resources permit.

*[Personnel Allocation – Engineering & Infrastructure Services Department]*

Position	Number Authorized		
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
<i>Full-time Employees [full-time equivalents (FTE)]</i>			
Assistant City Manager	0.50	0.25	-
Management Analyst/ Senior Management Analyst	-	1.00	1.00
Total FTE	0.50	1.25	1.00

**PLANNING & ENVIRONMENTAL SERVICES DEPARTMENT**

The Planning & Environmental Services Department includes the following service areas: building, planning, economic development, water quality, waste and recycling, environmental sustainability, and code enforcement.

Due to changes in personnel and resource availability, during Fiscal Year 2016-17, increased oversight will be provided by the City Manager’s Office. Long-term and sustainable staffing patterns are areas of continuing analysis and will be addressed as resources permit.

Personnel other than those allocated to the Planning & Environmental Services Department may also work at community waste events and be charged to the Planning & Environmental Services Department budget.

*[Personnel Allocation – Planning & Environmental Services Department]*

Position	Number Authorized		
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
<i>Full-time Employees [full-time equivalents (FTE)]</i>			
Assistant City Manager	0.50	0.75	-
Management Analyst/ Senior Management Analyst	-	-	1.00

Position	Number Authorized		
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Planning Manager	1.00	-	-
Total FTE	1.50	0.75	1.00

## **PUBLIC SAFETY SERVICES DEPARTMENT**

The Public Safety Services Department includes law enforcement and animal control and shelter services, which are provided under contract by the Orange County Sheriff’s Department and Laguna Beach Animal Services, respectively. This department’s budget also includes other public safety-related contract services (e.g., Trauma Intervention Program). Fire services provided by the Orange County Fire Authority are funded separately through a structural fire fund administered by the County of Orange on the City’s behalf.

Personnel accounted for in the City Manager’s Office section of this budget are responsible for coordinating with public safety service partners, as well as managing emergency planning, hazard mitigation, climate adaptation, and other “in-house” public safety programs.

## **OTHER ORGANIZATIONAL INFORMATION**

### Standing Advisory Committees

The City Council has established a Community Grants Oversight Committee and a Hazard Mitigation & Climate Change Committee to function in advisory roles to the City Council and City personnel. Committee members volunteer their time to provide crucial public input on relevant matters.

### Other Volunteer Programs

Since incorporation, the City has relied on the generous support of volunteers to provide reception, administrative, and clerical services at Laguna Woods City Hall. That support is invaluable and helps to reduce personnel costs.

*This page is intentionally blank.*

## 3.0.

# CITY WORK PLAN

---

*This chapter is intended to describe the programs, projects, and services included in this budget and work plan and their alignment with the City Council's priority focus areas.*

### CONTINUED PROGRAMS, PROJECTS, AND SERVICES

In general, this budget and work plan includes the continuation of programs, projects, and services that were either ongoing or underway as of the close of Fiscal Year 2015-16, including all core municipal functions such as public safety; building plan review, permitting, and inspection; road, public right-of-way, park, and infrastructure maintenance; water quality and environmental improvement and protection activities; and, related administrative support.

Other continuing services include:

- The **Senior Mobility Program**, which subsidizes the cost of taxi travel for residents who are 60 years of age or older.
- The **Residential Energy Efficiency Improvement Program**, which installs replacement windows, doors, and other energy efficient improvements in the homes of qualifying low income residents, at no charge.
- The **Residential Bulky Item Collection Program**, which allows residents to have unwanted appliances, clothing, electronic waste, furniture, and certain types of residential waste removed from inside of their homes, at no charge. Bulky items are also collected from trash enclosures and designated curbside locations once a month, at no charge.
- The **Household Hazardous Waste Door-to-Door Collection Program**, which allows residents to safely and easily dispose of unwanted paint, light bulbs, aerosols, chemicals, motor oil, vehicle batteries, and other household hazardous waste, at no charge.
- The **Sharps Waste Mail Back Collection Program**, which allows residents to safely and easily dispose of used needles, lancets, and other home-generated sharps waste, via regular mail, at no charge.
- The **City Hall Waste Drop-Off Collection Program**, which allows residents to safely and easily dispose of medications, non-vehicle batteries, and certain other items by dropping them off at City Hall, at no charge.

- **Quarterly Document Shredding Events**, which allow residents to safely and easily dispose of unwanted, sensitive personal records (e.g., bank statements, tax returns, and medical information), at no charge.
- **Twice Annual Goods Exchange/Drop-Off Events**, which allow residents to donate unwanted appliances, clothing, electronic waste, furniture, books, and other items to others, or to charity, at no charge. Inoperable electronic waste is also collected for salvage or safe disposal.
- **Movie Matinees, Public Safety Workshops, 911 Ambulance Membership Program Registration Events, Office Hours for Federal and State Officials, and Other Events at City Hall**, which are provided at no charge.
- **Notary Services**, including foreign pension acknowledgements, which are provided to residents at no charge.

## **LAW ENFORCEMENT SERVICES**

This budget and work plan continues the City's contract relationship with the Orange County Sheriff's Department for law enforcement services, including proactive patrol, 911 emergency response, investigation, and related support services (e.g., crime scene analysis, custody/jail services, coroner operations, and missing persons). Under the direction of the City's Chief of Police Services, the City's sworn peace officers will continue to work with private security and property management to maintain a high level of personal safety.

## **ANIMAL CONTROL & SHELTER SERVICES**

This budget and work plan continues the City's contract relationship with the City of Laguna Beach for animal control and shelter services. Residents and their pets will continue to enjoy the high quality of services provided by the Laguna Beach/Laguna Woods Animal Services Division, including access to a humane animal shelter located in nearby Laguna Canyon.

## **SIGNIFICANT CHANGES IN SERVICE LEVELS**

This budget and work plan includes several significant changes in service levels, all of which are intended to meet the needs of residents, including:

- **An increase in preventative maintenance and general upkeep at City parks**, including more frequent odor control, pet waste removal, and cleaning of the artificial turf grass at "A Place for Paws" Dog Park.
- **An increase in resources to combat aggressive coyote behavior.**

- ***An increase in resident programming and events at City Hall***, including more frequent public health and safety workshops and trainings.
- ***Installation of recycling receptacles in City parks*** to reduce litter, further promote source separation, and increase waste diversion.
- ***Implementation of a new Sharps Waste Drop Box Collection Program*** at City Hall, which will provide an additional opportunity for residents to safely and easily dispose of sharps waste, at no charge. This program will be in addition to the Sharps Waste Mail Back Collection Program.
- ***Addition of a National Prescription Drug Take-Back Day Event***, in place of the household hazardous waste “roundup” event, which will increase opportunities for residents to safely and easily dispose of unwanted or expired medications, at no charge.

Additional changes in service levels are described in the Significant Work Plan Items tables beginning on pages 22 (new items) and 26 (continuing items), as well as in the Capital Projects chapter beginning on page 35.

## **SIGNIFICANT WORK PLAN ITEMS**

For ease of reference and to assist with implementation, programs, projects, and services that represent substantial new and/or limited-term undertakings by the City are presented in tables beginning on page 22.

The following terms are used in the Significant Work Plan Items tables:

- Description – A brief summary of the significant work plan item
- Lead Department – Designation of the City personnel who are primarily responsible for implementing the significant work plan item
- Priority Alignment – A visual representation of the City Council’s priority focus areas that are addressed by the significant work plan item





While many priority focus areas may be directly or indirectly addressed by a single work plan item, only the primary focus areas are shown in the table.

Please note that the City Council retains the ability to modify this budget and work plan throughout the fiscal year. Significant work plan items that are not completed within the current fiscal year will be carried over to a future fiscal year or, subject to City Council direction, reconsidered at a later date.




This work plan replaces all previous work plans approved for the City.

[New Significant Work Plan Items]




<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment
1	<p><b>Two-Year Budget and Work Plan Development</b> – Beginning with fiscal years 2017-18 and 2018-19, adopt a budget and work plan that outlines a financial plan and scope of services for the City to undertake for a two fiscal year period in order to provide longer-term economic forecasts, greater certainty regarding the sustainability of the City’s operations, and heightened strategic vision.</p>	Administrative Services	 
2	<p><b>Five-Year Strategic Financial Plan (SFP) Development</b> – Adopt a five-year strategic financial plan in order to provide economic forecasts, project long-term budget conditions, identify long-range and future strategic priorities; and, aid in the development of two-year budgets.</p>	Administrative Services	 



<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment
3	<b>Orange County Public Library Service Enhancements</b> – Work with OC Public Libraries (County of Orange) staff to explore partnerships and other opportunities to improve local public library services, including access to digital, audio/visual, accessible, and reference resources.	City Manager’s Office	
4	<b>Electric Vehicle Charging at City Hall</b> – Evaluate the feasibility of installing and maintaining electric vehicle charging infrastructure at City Hall in order to support the expanded use of alternatively fueled vehicles.	Engineering & Infrastructure Services	
5	<b>Landscape Maintenance Request for Proposals</b> – Conduct a competitive process to select landscape maintenance provider(s) for City property in order to ensure the efficient, effective, and economical conduct of City business.	Engineering & Infrastructure Services	

<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---




ID	Description	Lead Department	Priority Alignment
6	<p><b>Street, Right-of-Way, and Infrastructure Maintenance Request for Proposals</b> – Conduct a competitive process to select street, right-of-way, and infrastructure maintenance provider(s) for City property in order to ensure the efficient, effective, and economical conduct of City business.</p>	Engineering & Infrastructure Services	
7	<p><b>Street Sweeping Request for Proposals</b> – Conduct a competitive process to select street sweeping provider(s) for City property in order to ensure the efficient, effective, and economical conduct of City business.</p>	Engineering & Infrastructure Services	
8	<p><b>Streetlight Maintenance Request for Proposals</b> – Conduct a competitive process to select streetlight maintenance provider(s) for City property in order to ensure the efficient, effective, and economical conduct of City business.</p>	Engineering & Infrastructure Services	

<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---



ID	Description	Lead Department	Priority Alignment
9	<p><b>Local California Environmental Quality Act (CEQA) Guidelines Update</b> – Review and update the City’s Local California Environmental Quality Act Guidelines in order to ensure compliance with State law, create new public education materials, and ensure the efficient, effective, and economical conduct of City business.</p>	<p>Planning &amp; Environmental Services</p>	
10	<p><b>Emergency Operations Plan (EOP) Update</b> – Review and update the City’s emergency operations plan to enhance collaboration with public and private stakeholders, incorporate analysis from the City’s Local Hazard Mitigation Plan, reflect changes in organizational structure, and prepare for future updates called for in the City’s Climate Adaptation Plan.</p>	<p>Public Safety Services</p>	

[Continuing Significant Work Plan Items]



<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment
11	<b>Banking Services Request for Proposals</b> – Conduct a competitive process to select banking services provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business.	Administrative Services	
12	<b>Financial Software Replacement</b> – Replace the City’s financial software in order to meet operational needs; improve internal efficiencies; receive more effective technical support; and enhance capabilities to aide in the future implementation of electronic systems requiring financial integration, including potential merchant services.	Administrative Services	
13	<b>Purchasing Standards Update</b> – Review and update the City’s purchasing processes and regulations in order to ensure the efficient, effective, and economical conduct of City business.	Administrative Services	





<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment
14	<p><b>Commercial Zoning Code Uses and Parking Standards Update</b> – Review and update the City’s commercial zoning code to clarify and better align zoning districts with permitted uses and associated off-street parking standards. This item is consistent with the City’s goal of providing residents with access to high quality goods and services close to home.</p>	<p>Planning &amp; Environmental Services</p>	
15	<p><b>Drought Conscious Development Regulations Update</b> – Review and update the City’s development regulations in order to reduce potable water consumption and take local steps toward achieving the Governor’s statewide mandatory water reductions. Regulations to be reviewed include, but are not limited to, tree maintenance and removal standards, water efficient landscapes, and building and construction codes.</p>	<p>Planning &amp; Environmental Services</p>	


<p><b>Priority Alignment</b> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment
16	<p><b>General Plan Comprehensive Update</b> – Review and update the City’s General Plan to establish a 25-year vision for the future of Laguna Woods. Updates will focus on the circulation, housing, land use, noise, and open space elements with modifications, as necessary, to the conservation and safety elements. A new economic vitality element will be developed to address business attraction, business development, and fiscal issues.</p>	<p>Planning &amp; Environmental Services</p>	
17	<p><b>Medical Marijuana Studies</b> – In September and October 2015, the City Council adopted and subsequently extended a moratorium on the establishment, location, or operation of medical marijuana dispensaries for the purpose of further study and analysis. Staff will continue to conduct the study and analysis requested by the City Council.</p>	<p>Planning &amp; Environmental Services</p>	

<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment
18	<b>Organic Waste Recycling Program</b> – Implement an organic waste recycling program to divert organic waste generated by residences and businesses, as required by state law.	Planning & Environmental Services	
19	<b>Wireless Communication Facility Regulations Update</b> – Review and update the City’s wireless communication facility regulations in order to ensure consistency with federal and state laws, regulations, and orders, as well as to promote clarity and administration.	Planning & Environmental Services	
20	<b>Animal Regulations</b> – Review and update the City’s animal regulations in order to strengthen prohibitions and procedures related to nuisance, potentially dangerous, and vicious animals, as well as feeding of wildlife. This item will also include updates to promote clarity and administration throughout the regulations.	Public Safety Services	 

<p><i>Priority Alignment</i> (A City that is...) <b>Legend:</b></p>	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment
21	<p><b>Backup Generator Regulations –</b> Adopt regulations requiring backup generators for new and redeveloped fuel stations and cellular telephone towers in order to mitigate energy shortage impacts.</p>	Public Safety Services	

## FURTHERANCE OF LONG-RANGE PLANS

The City's Climate Adaptation Plan, Community & Economic Development Improvement Plan, and Local Hazard Mitigation Plan provide long-range strategic direction in areas of special concern. Each plan is intended to help focus and improve City programs, projects, and services, as well as assist with budget and work plan development and resource allocation.

In order to promote active and ongoing implementation of long-range plans, correlations between this budget and work plan's significant work plan items and the actions and recommendations contained in each long-range plan are presented beginning on page 32.

### Climate Adaptation Plan

The City's Climate Adaptation Plan establishes an approach for the City to prepare for a future with evolving and potentially varying climate conditions. The Climate Adaptation Plan identifies local vulnerabilities to climate change impacts (e.g., increased temperatures, decreased precipitation, and strained water supplies) and outlines a strategy to increase resilience to climate change-related hazards, increase resource independence, and sustain and advance climate adaptation efforts. At the time of its initial adoption in late-2014, the Climate Adaptation Plan was the first non-coastal, stand-alone, municipal climate adaptation plan in California.

### Community & Economic Development Improvement Plan

The City's Community & Economic Development Improvement Plan identifies potential business, development, and permit-related service and regulatory improvements that could be undertaken by the City in order to:

- Reduce and streamline regulatory mandates for residents and businesses with respect to permitting and other activities that result in local safety, environmental, and/or quality of life improvements; and
- Support and foster high quality shopping, dining, and service experiences in order to promote the local availability of amenities and jobs for residents, as well as a productive business climate.

### Local Hazard Mitigation Plan

The City's Local Hazard Mitigation Plan forms the foundation for the City's long-term strategy to reduce disaster losses and break the cycle of disaster damage, reconstruction, and repeated damage. Consistent with federal law, the Local Hazard Mitigation Plan is updated at least every five years. The

Local Hazard Mitigation Plan fulfills the requirements of Section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5165, as amended by the Disaster Mitigation Act of 2000, and also serves as the City’s Local Energy Assurance Plan consistent with the State of California’s Energy Assurance Plan and the California Energy Commission’s California Local Energy Assurance Planning (CaLEAP) framework.

*[Significant Work Plan Item Correlations to Long-Range Plans]*

Significant Work Plan Item 4: Electric Vehicle Charging at City Hall	
Climate Adaptation Plan	Implementation Action 2.3.2. Develop and implement municipal renewable energy technology and energy efficiency improvement projects.
Significant Work Plan Item 10: Emergency Operations Plan (EOP) Update	
Climate Adaptation Plan	Implementation Action 1.1.1. Amend the Emergency Operations Plan to include an Extreme Heat Annex.
	Implementation Action 1.2.1. Amend the Emergency Operations Plan to include a Wildfire Air Quality Annex.
	Implementation Action 3.1.1. Incorporate climate adaptation into long-range planning documents.
Local Hazard Mitigation Plan	Project V. Develop and implement a Continuity of Operations Plan (COOP) for City services.
	Project Y. Develop memoranda of understanding (MOUs) for emergency reception centers, shelters, and points of dispensing (PODs).
	Project Z. Develop MOUs for emergency provisions (e.g., food, water, and generator fuel).

Significant Work Plan Item 12: Financial Software Replacement	
Community & Economic Development Improvement Plan	Recommendation O.05. Implement electronic systems to support building permit issuance, plan review, and inspection processes, including digitization of records.
	Recommendation O.01. Expand the forms of payment accepted at City Hall to include credit cards, debit cards, and electronic funds transfers (e.g., web checks).
Significant Work Plan Item 14: Commercial Zoning Code Uses and Parking Standards Update	
Community & Economic Development Improvement Plan	Recommendation R.05. Update the City's permitting uses by zoning district regulations.
Significant Work Plan Item 15: Drought Conscious Development Regulations Update	
Climate Adaptation Plan	Implementation Action 2.2.1. Review and amend development and permitting standards to reduce potable water consumption.
Community & Economic Development Improvement Plan	Recommendation R.03. Update the City's tree maintenance and removal regulations.
Local Hazard Mitigation Plan	Project A. Review and update building-related ordinances and policies, as necessary.
	Project E. Develop and implement plans, projects, and programs that reduce water use and augment local water supplies (e.g., capture/reuse).

Significant Work Plan Item 16: General Plan Comprehensive Update	
Climate Adaptation Plan	Implementation Action 3.1.1. Incorporate climate adaptation into long-range planning documents.
Community & Economic Development Improvement Plan	Recommendation R.07. Update the City's General Plan for economic development issues.
Significant Work Plan Item 18: Organic Waste Recycling Program	
Climate Adaptation Plan	Implementation Action 2.3.2. Develop and implement municipal renewable energy technology and energy efficiency improvement projects.
Significant Work Plan Item 21: Backup Generator Regulations	
Local Hazard Mitigation Plan	Project C. Adopt an ordinance requiring emergency backup generators for new and redeveloped fuel stations and cellular telephone towers.

## **4.0. CITY CAPITAL PROJECTS**

---

*This chapter is intended to describe major capital improvement projects that are included in this budget, as well as projects that are currently unfunded, but may be considered in the future.*

### **CAPITAL IMPROVEMENT PROGRAM**

In order to assist with the long-term development of funding for major capital improvement projects on public property, the City Council adopts a seven-year Capital Improvement Program (CIP) as part of its annual budget and work plan process. The CIP and the seven-year period to which it applies is also a requirement for funding under Orange County's Measure M2 half-cent sales tax, which voters approved in 2006 to fund transportation projects and activities. While the first year of the seven-year CIP is included in this budget, it is important to note that the City Council retains the ability to modify the CIP at its discretion and that no funding commitment is created by the inclusion of unfunded projects or projects phased for future fiscal years.

The City considers a "major capital improvement project" to be any project that meets the definition of a "public project" in Section 22002 of the State of California's Public Contracts Code, including "construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work" of facilities owned, leased, or operated by the City, as well as any non-minor "painting or repainting." Maintenance is not considered a public project. A "major capital improvement project" also includes pavement management work included in the City's seven-year Pavement Management Plan.

The City classifies its major capital improvement projects as either primarily relating to buildings (e.g., City Hall), "green" spaces (e.g., landscaping and parks), or transportation (e.g., roadways and traffic control devices). These classifications are intended to organize similar projects for ease of reference.

Major capital improvement projects are further categorized as either funded, partially funded, or unfunded. Partial funding of projects is not unusual, as full funding is often developed over the course of several fiscal years, as grants and other federal, state, and county funds are obtained in order to reduce impacts to the General Fund. In other cases, funding from the General Fund may be set aside for projects over multiple fiscal years in the interest of fiscal

prudence. The preparation of design documents and construction drawings may also proceed the allocation of construction funding.

## SIGNIFICANT CHANGES IN CAPITAL PROJECTS

A project to rehabilitate the pavement on eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia has been added to the Fiscal Year 2016-17 Budget & Work Plan and CIP as a funded project.

A project to repair and improve restrooms and drinking fountains at City Hall has been added to the Fiscal Year 2016-17 Budget & Work Plan and CIP as a partially funded project. The City Council will consider funding construction after design documents and construction drawings have been prepared.

A project to install low-level lighting in City Centre Park has been added to the Fiscal Year 2016-17 Budget & Work Plan and CIP as an unfunded project.

## FUTURE OUTLOOK FOR CAPITAL PROJECTS

The City’s seven-year Pavement Management Plan proposes rehabilitation phased in a manner that is intended to minimize the length and impact of in-lane roadway work on residents and businesses.

Major capital improvements at City Hall remain necessary in order to ensure its functionality and safety. Identified needs include the installation of a back-up generator capable of providing power during long-term energy shortages and disaster-related interruptions, accessibility improvements, more effective utilization of interior space, and construction of a trash enclosure.

## FISCAL YEAR 2016-17 CAPITAL PROJECTS SUMMARY

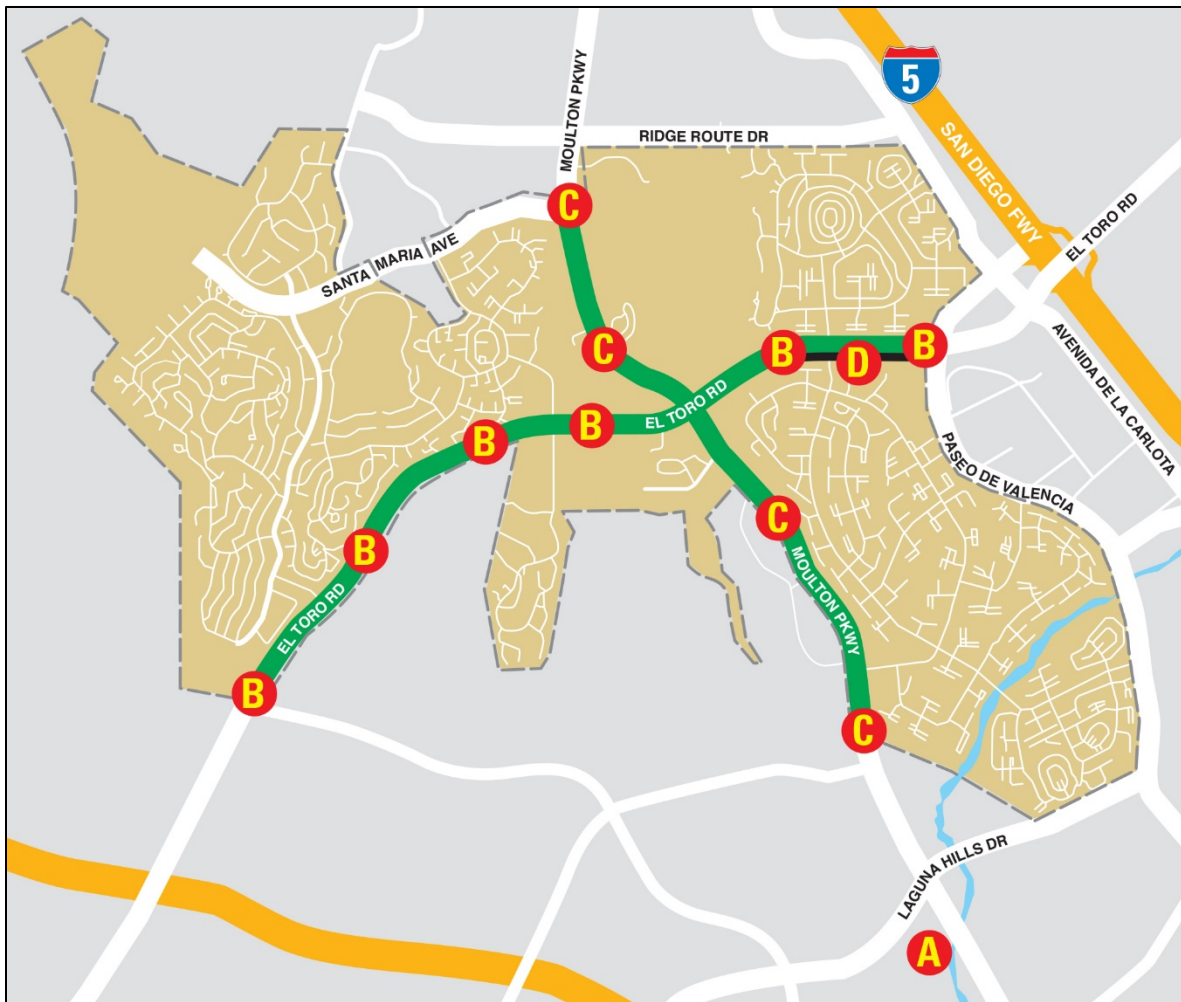
*[Capital Projects Summary – Classifications and Funding Status]*

Classification	Number of Projects		
	Funded	Partially Funded	Unfunded
Buildings	-	1	-
Green Spaces	1	-	4
Transportation	3	-	4
Total	4	1	8

[Funded Capital Improvement Projects]

Funded Project Title	ID	Page
Dairy Fork Constructed Wetland Project	A	39
El Toro Road Traffic Signal Synchronization Project	B	40
Moulton Parkway Traffic Signal Synchronization Project	C	41
Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia)	D	42

[Funded Capital Improvement Projects Map]



*[Partially Funded Capital Improvement Projects]*

Partially Funded Project Title	Page
City Hall Restroom Repair and Improvement Project	43

*[Unfunded Capital Improvement Projects]*

Unfunded Project Title	Page
City Centre Park Lighting Improvement Project	44
El Toro Road Water Efficient Median Project	45
Moulton Parkway Water Efficient Median Project	46
Santa Maria Avenue Water Efficient Median Project	47
Pavement Management Plan Projects <ul style="list-style-type: none"> <li>• Westbound El Toro Road between Avenida Sevilla and Paseo de Valencia</li> <li>• Eastbound El Toro Road between Avenida Sevilla and Lutheran Church of the Cross</li> <li>• Westbound El Toro Road between St. Nicholas Catholic Church and Avenida Sevilla</li> <li>• Eastbound Ridge Route Drive between Moulton Parkway and Ridge Route Linear Park</li> </ul>	48

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title:           **Dairy Fork Constructed Wetland Project**  
Classification:       Green Spaces           Funding Status:       Funded  
Priority Alignment:



Environmentally conscious

### Project Description

---

This project is a multi-city undertaking with the City of Aliso Viejo acting as the lead agency with support from the cities of Laguna Woods, Laguna Hills, and Lake Forest. The project includes construction of a wetland southwest of the intersection of Aliso Viejo Parkway and Moulton Parkway in Aliso Viejo.

### Purpose

---

This project will play an important role in supporting compliance with State-mandated pollutant load reduction requirements for Aliso Creek (bacteria, metals, nutrients, and oils) and will also re-vegetate native species, remove invasive species, and restore trails and wildlife habitat.

### Construction and Implementation Costs

---

In March 2014, this project was awarded \$568,100 in funding from the Orange County Transportation Authority's Measure M2 Environmental Cleanup, Tier 2 grant program. The balance of the estimated \$874,000 project construction and implementation cost will be shared by the participating cities. The City's one-time, General Fund cost-share amount is \$59,956, which will be followed by an estimated \$1,960 cost-share for maintenance that will be adjusted annually, over a 20-year period, based on relevant conditions.

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **El Toro Road Traffic Signal Synchronization Project**

Classification: Transportation      Funding Status: Funded

Priority Alignment:



Healthy and safe



High in quality of life



Environmentally conscious

### Project Description

---

This project is a multi-city undertaking with the City acting as the lead agency with support from the City Aliso Viejo, City of Laguna Hills, and the California Department of Transportation (Caltrans). The project includes synchronization work and the installation of traffic detection, monitoring, and backup power equipment at certain intersections on El Toro Road from Bells Viero Lane (in Aliso Viejo) to Bridger Road (in Laguna Hills).

### Purpose

---

This project will help improve the flow of traffic by modifying timing plans and installing various equipment to reduce congestion. Minimization of the time motor vehicles spend idling at red lights will also improve air quality and new uninterrupted power supplies will help sustain the operation of traffic signals during longer term energy shortages and disaster-related interruptions.

### Construction and Implementation Costs

---

This project is currently awarded \$514,000 in funding from the Orange County Transportation Authority's Measure M2 program. The City will match the award with in-kind services and \$83,020 in CARITS funds. The total project cost, including matches from all involved agencies, is \$642,500.

# CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **Moulton Parkway Traffic Signal Synchronization Project**

Classification: Transportation      Funding Status: Funded

Priority Alignment:



Healthy and safe



High in quality of life



Environmentally conscious

## Project Description

---

This project is a multi-city undertaking with the City acting as the lead agency with support from the City of Laguna Hills, City of Laguna Niguel, and the California Department of Transportation (Caltrans). The project includes synchronization work and the installation of traffic detection, monitoring, and backup power equipment at certain intersections on Moulton Parkway from Lake Forest Drive (in Laguna Hills) to Camino del Avion (in Laguna Niguel).

## Purpose

---

This project will help improve the flow of traffic by modifying timing plans and installing various equipment to reduce congestion. Minimization of the time motor vehicles spend idling at red lights will also improve air quality and new uninterrupted power supplies will help sustain the operation of traffic signals during longer term energy shortages and disaster-related interruptions.

## Construction and Implementation Costs

---

This project is currently awarded \$645,440 in funding from the Orange County Transportation Authority's Measure M2 program. The City will match the award with in-kind services and \$65,680 in CARITS funds. The total project cost, including matches from all involved agencies, is \$808,050.

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia)**

Classification: Transportation      Funding Status: Funded

Priority Alignment:



Healthy and safe



High in quality of life

### Project Description

---

This project involves the rehabilitation of pavement along the specified street section, including removal of deteriorated pavement and a surface seal of crack sealant and rubberized slurry. Pedestrian accessibility improvements will also be made along the street section.

### Purpose

---

This project is a part of the City's seven-year Pavement Management Plan to extend the useful life and improve the quality of pavement on street sections rated at a Pavement Condition Index (PCI) below 80. Ongoing pavement management helps to minimize the prolonged and more impactful work that typically accompanies projects involving significantly degraded pavement. As of January 2016, the specified street section has a PCI of 76.

### Construction and Implementation Costs

---

The one-time cost for designing and constructing this project is estimated at \$157,500 (as of May 2016; subject to the completion of design documents, construction specifications, and competitive proposals). Fuel Tax (\$150,000) and General Fund (\$7,500) revenue will be used to fund this project.

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **City Hall Restroom Repair and Improvement Project**

Classification: Buildings Funding Status: Partially Funded

Priority Alignment:



Healthy and safe



Environmentally conscious

### Project Description

---

This project involves the repair of the deteriorated subfloor in the second floor restrooms at City Hall, including removal and replacement of the tile flooring and underlying lightweight concrete. Accessibility, lighting, energy, heating, ventilation, and air conditioning improvements will also be made in both the first and second floor restrooms and drinking fountains.

### Purpose

---

This project is necessary in order to complete the repair of the deteriorated subfloor at City Hall; improve accessibility and energy efficiency within the building; and, modernize restroom and drinking facilities.

### Construction and Implementation Costs

---

The one-time General Fund cost for designing this project is \$30,000. The one-time cost of construction will be determined once design work is complete.

### Explanation of Partial Funding

---

The Fiscal Year 2016-17 Budget & Work Plan includes funding in the amount of \$30,000 to prepare construction drawings and technical specifications.

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title:           **City Centre Park Lighting Improvement Project**

Classification:       Green Spaces           Funding Status:       Unfunded

---

### Project Description

This project involves using existing conduit to install low-level walkway lighting along the serpentine walking path and hardscape areas in City Centre Park.

---

### Purpose

This project is intended to improve the utility and function of City Centre Park. Lighting fixtures were a part of the initial design for City Centre Park; however, only conduit to allow for future lighting was installed during construction.

---

### Construction and Implementation Costs

The one-time cost for designing and constructing this project is estimated at \$115,000 (as of May 2016; subject to the completion of design documents, construction specifications, and public bidding). No funding source has been identified; however, City personnel will seek grant opportunities.

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title:           **El Toro Road Water Efficient Median Project**

Classification:       Green Spaces           Funding Status:       Unfunded

### Project Description

This project involves retrofitting two primarily turf grass medians with drought-tolerant landscaping, water efficient irrigation systems, and “purple pipe” for future recycled water use. A hardscape maintenance band would also be installed around the perimeter of each median. This project could be phased by median location or completed concurrently, as funding permits.

Median ID	Median Location
El Toro Road, West Median #1	Moulton Parkway to Town Centre
El Toro Road, West Median #2	Town Centre to Calle Sonora

### Purpose

This project is intended to reduce irrigation-related water consumption and runoff through the replacement of turf grass with drought-tolerant plantings and overhead spray irrigation with a more water efficient alternative. Moving irrigation systems and plantings further from the curb face of the medians will also help prevent inadvertent runoff and related pavement damage. When available, the use of recycled water for irrigation will help conserve potable water, thereby reducing demand for imported water.

### Construction and Implementation Costs

The one-time cost for designing and constructing this project is estimated at \$295,550 (as of June 2014; subject to the completion of design documents, construction specifications, and public bidding). No funding source has been identified; however, City personnel continue to seek grant opportunities.

Median ID	Estimated Cost
El Toro Road, West Median #1	\$179,400
El Toro Road, West Median #2	\$116,150
Total	\$295,550

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title:           **Moulton Parkway Water Efficient Median Project**

Classification:       Green Spaces           Funding Status:       Unfunded

### Project Description

This project involves retrofitting three primarily turf grass medians with drought-tolerant landscaping, water efficient irrigation systems, and “purple pipe” for future recycled water use. A hardscape maintenance band would also be installed around the perimeter of each median. This project could be phased by median location or completed concurrently, as funding permits.

Median ID	Median Location
Moulton Parkway, South Median #1	Via Campo Verde to Temple Judea
Moulton Parkway, South Median #2	Temple Judea to Calle Cortez
Moulton Parkway, South Median #2	Calle Cortez to Via Iglesia

### Purpose

This project is intended to reduce irrigation-related water consumption and runoff through the replacement of turf grass with drought-tolerant plantings and overhead spray irrigation with a more water efficient alternative. Moving irrigation systems and plantings further from the curb face of the medians will also help prevent inadvertent runoff and related pavement damage. When available, the use of recycled water for irrigation will help conserve potable water, thereby reducing demand for imported water.

### Construction and Implementation Costs

The one-time cost for constructing this project is estimated at \$352,176 plus the cost of non-irrigated groundcover (as of June 2016; subject to material selection and completion of design documents, construction specifications, and public bidding). No funding source has been identified; however, City personnel continue to seek grant opportunities.

Median ID	Estimated Cost
Moulton Parkway, South Median #1	\$65,152 + groundcover
Moulton Parkway, South Median #2	\$163,410 + groundcover
Moulton Parkway, South Median #3	\$123,614 + groundcover
Total	\$352,176 + groundcover

Construction drawings and technical specifications were prepared in Fiscal Year 2015-16 and will be finalized prior to any future construction in order to ensure that they reflect then-current codes and material availability.

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title:           **Santa Maria Avenue Water Efficient Median Project**

Classification:       Green Spaces           Funding Status:       Unfunded

### Project Description

This project involves retrofitting two primarily turf grass medians with drought-tolerant landscaping, water efficient irrigation systems, and “purple pipe” for future recycled water use. A hardscape maintenance band would also be installed around the perimeter of each median. This project could be phased by median location or completed concurrently, as funding permits.

Median ID	Median Location
Santa Maria Avenue, Median #1	Moulton Parkway to Florence Sylvester Memorial Senior Center
Santa Maria Avenue, Median #2	Florence Sylvester Memorial Senior Center to San Remo Drive

### Purpose

This project is intended to reduce irrigation-related water consumption and runoff through the replacement of turf grass with drought-tolerant plantings and overhead spray irrigation with a more water efficient alternative. Moving irrigation systems and plantings further from the curb face of the medians will also help prevent inadvertent runoff and related pavement damage. When available, the use of recycled water for irrigation will help conserve potable water, thereby reducing the local demand for imported water.

### Construction and Implementation Costs

The one-time cost for designing and constructing this project is estimated at \$418,485 (as of June 2014; subject to the completion of design documents, construction specifications, and public bidding). No funding source has been identified; however, City personnel continue to seek grant opportunities.

Median ID	Estimated Cost
Santa Maria Avenue, Median #1	\$46,920
Santa Maria Avenue, Median #2	\$371,565
Total	\$418,485

## CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title:           **Pavement Management Plan Projects**

Classification:       Transportation           Funding Status:       Unfunded

### Project Description

These projects involve the rehabilitation of pavement along the specified street sections, including removal of deteriorated pavement and surface seals of crack sealant and rubberized slurry. Pedestrian accessibility improvements would also be made along the street sections.

Street Section ID	Street Section Location
W/BET-AS-PDV	Westbound El Toro Road between Avenida Sevilla and Paseo de Valencia
E/BET-AS-LCC	Eastbound El Toro Road between Avenida Sevilla and Lutheran Church of the Cross
W/BET-SNCC-AS	Westbound El Toro Road between St. Nicholas Catholic Church and Avenida Sevilla
E/BRR-MP-RRLP	Eastbound Ridge Route Drive between Moulton Parkway and Ridge Route Linear Park

### Purpose

These projects are a part of the City's seven-year Pavement Management Plan to extend the useful life and improve the quality of pavement on street sections rated at a Pavement Condition Index below 80. Ongoing pavement management helps to minimize the prolonged and more impactful work that typically accompanies projects involving significantly degraded pavement.

### Construction and Implementation Costs

Over the course of fiscal years 2017-18 through 2021-22, the one-time cost for constructing these projects is estimated at \$393,750 (as of June 2016; subject to the completion of design documents, construction specifications, and competitive proposals). It is anticipated that a combination of General Fund, Fuel Tax, and Measure M2 revenue will be used to fund these projects.

Street Section ID	Anticipated Fiscal Year	Pavement	Pedestrian Accessibility	Total
W/BET-AS-PDV	2017-18	\$150,000	\$7,500	\$157,500
E/BET-AS-LCC	2018-19	\$105,000	\$5,250	\$110,250
W/BET-SNCC-AS	2018-19	\$105,000	\$5,250	\$110,250
E/BRR-MP-RRLP	2021-22	\$15,000	\$750	\$15,750
Total		\$375,000	\$18,750	\$393,750

# **5.0. CITY BUDGET PRACTICES**

---

*This chapter is intended to review the budgeting and accounting practices employed in the development of this budget.*

## **INTRODUCTION**

In addition to outlining a scope of work for the City to undertake during the fiscal year beginning on July 1, 2016 and ending on June 30, 2017, this budget and work plan serves as a financial plan for the City's operations. To that end, chapters 5.0 and 6.0 translate the scope of work that is described in chapters 3.0 and 4.0 into revenue estimates and expenditure appropriations.

## **BUDGET AND WORK PLAN DEVELOPMENT PROCESS**

The City Council adopts a budget and work plan, annually, by June 30<sup>th</sup>, for a fiscal year beginning on the following July 1<sup>st</sup> and ending June 30<sup>th</sup>.

The process of developing the City's budget and work plan is continuous and iterative in nature with City personnel working throughout the fiscal year, and particularly between the months of January and June, to prepare revenue estimates, expenditure projections, and draft documents that are responsive to the City Council's direction. Budget and work plan development is jointly managed by the City Manager's Office (City Manager) and Administrative Services Department (Administrative Services Director/City Treasurer).

The Fiscal Year 2016-17 Budget & Work Plan development process included a total of four open and publically noticed City Council meetings, each with an opportunity for public comment. The meetings occurred as follows:

- Wednesday, April 27, 2016 – kick-off, discussion and development
- Wednesday, May 18, 2016 – discussion and development
- Wednesday, June 15, 2016 – discussion and development
- Wednesday, June 29, 2016 – adoption

## TWO-YEAR BUDGET AND WORK PLAN TRANSITION PROCESS

The City is transitioning from a single-year to two-year budget and work plan with the goal of providing longer-term economic forecasts, greater certainty regarding the sustainability of the City’s operations, and heightened strategic vision. Central to the transition to a two-year budget is the development of a five-year strategic financial plan, updated annually with projections of future budgetary conditions and long-range strategic priorities.

It is anticipated that the City’s initial five-year strategic financial plan will be developed by Fiscal Year 2017-18 to aid in the development of the City’s first two-year budget and work plan covering fiscal years 2017-18 and 2018-19. Thereafter, the budget and work plan development process will include an annual refinement of the two-year budget and work plan, as well as annual updates to the five-year strategic financial plan.

*[Two-Year Budget and Work Plan Transition Schedule]*

	Fiscal Year		
	2014-15	2015-16	2016-17
Budget & Work Plan	Expanded format	Enhanced information	Final single-year budget
Five-Year Strategic Financial Plan	-	Establishment of policies	Initial development
	Fiscal Year		
	2017-19	2017-18	2018-19
Budget & Work Plan	First two-year budget	<i>Interim refinement</i>	<i>Amended second-year</i>
Five-Year Strategic Financial Plan	-	<i>Annual update</i>	<i>Annual update</i>

## CONTINUAL BUDGET AND WORK PLAN IMPROVEMENT PROCESS

The City is committed to continually improving the transparency and manner in which information is presented in its budgets and work plans. Best practices

and other guidance from the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) is being used as a foundation for both near- and long-term improvement efforts.

In addition to internal utility, public comments, and City Council feedback, the effectiveness of budget and work plan improvements can be measured through evaluations conducted by CSMFO and GFOA. While the results of either organization's evaluations are expressed in the form of "awards," the evaluations are important, not as accolades, but as benchmarks of progress made by the City's budget and work plan improvements.

The City's Fiscal Year 2015-16 operating budget was submitted for evaluation by CSMFO. Following two independent, third-party reviews, the City earned CSMFO's highest level of distinction, the Operating Budget Excellence Award.

*[CSMFO Operating Budget Excellence Award for Fiscal Year 2015-16]*



## **BUDGET POLICIES**

City of Laguna Woods Administrative Policy 2.9 (see Appendix A) provides a framework for the development of the City's budget, with an emphasis on balance, transparency, fiscal responsibility, and long-term planning. The policy establishes numerous conservative and prudent standards related to the development and implementation of the City's budget, including regular public reporting to emphasize financial transparency and accountability.

After the City Council adopts the budget, authorized appropriations become effective on July 1<sup>st</sup> of the applicable fiscal year and establish legal spending limits for City programs, projects, and services. The City Council may amend the adopted budget at a public meeting at any time during the fiscal year.

The City Council adopts budgets at the fund and department levels with the City Manager having the authority to make adjustments within and between departments in the same fund, provided that there are no increases in fund budgets. While the City Manager is authorized to decrease fund-level budget appropriations as a method of fiscal control, City Council action is required to increase fund-level budget appropriations, regardless of the amount.

## **STATUS OF BUDGETARY RESERVES IN THE CURRENT YEAR**

Recognizing that reserves are a key component of fiscal responsibility and financial resilience, Administrative Policy 2.9 provides guidance for the City to ensure the adequacy of available financial resources to address periodic, unanticipated, and emergency needs. In addition to local fiscal needs, the establishment and maintenance of reserves also includes the consideration of best practices established by various authoritative agencies.

The overall target for committed and assigned reserves is currently established in an amount equal to 50% of the adopted General Fund revenue budget at the beginning of each fiscal year (July 1), less any one-time revenues and non-operating revenues. The overall target amount is currently used to fund three committed and assigned reserves – (1) a Paid Leave Contingency Fund to compensate for payments required to comply with the City's paid leave policies and obligations, when such amounts exceed adopted budgets; (2) a Self-Insurance Contingency Fund to compensate for liability and workers' compensation claim settlements not covered by insurance policies; and, (3) a General Fund Contingency Fund to compensate for economic uncertainty, operating contingencies, and emergencies caused by calamitous events.

[Committed and Assigned Reserves Funding Levels]

Fiscal Year 2016-17 General Fund Revenue Budget, less one-time and non-operating revenues	\$5,261,000
	x .50
Overall Target for Committed and Assigned Reserves	<u>\$2,630,500</u>
Paid Leave Contingency Fund <sup>5</sup>	\$79,808
Self-Insurance Contingency Fund	\$50,000
General Fund Contingency Fund	\$2,500,692
Total Committed and Assigned Reserves	<u>\$2,630,500</u>

In addition to committed and assigned reserves, unassigned General Fund balance is available for any governmental purpose and can be appropriated upon direction from the City Council. Use of the unassigned General Fund balance is generally limited to one-time projects, capital improvement projects, the payment of long-term liabilities for periods beyond the current fiscal year, and emergency expenditures.

## **BASIS OF BUDGETING AND ACCOUNTING**

This budget and the underlying accounting are prepared in accordance with Generally Accepted Accounting Principles (GAAP) on a "modified accrual" basis. In its *Finance Glossary of Accounting and Budgeting Terms*, the State of California's Department of Finance defines modified accrual as:

"The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations."

The City's accounting system is organized by fund. Each fund is a separate accounting entity with a self-balanced set of accounts that record assets,

---

<sup>5</sup> Note: The Paid Leave Contingency Fund has an annual target equal to projected accrued paid leave balances at the end of each fiscal year (June 30). The funding level shown in this budget and work plan is an estimate that will be finalized after fiscal-year-end calculations are available.

liabilities, fund equity, revenues, and expenditures. Funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

## **FUND TYPES**

Government agencies classify funds as either governmental (accounting for typical government operations), proprietary (accounting for activities financed and operated in a manner similar to private enterprises, where the cost of providing services is recovered from user charges), or fiduciary (used when acting as a trustee or agent for resources belonging to other agencies or individuals). The City has no proprietary or fiduciary funds, although this budget and work plan does include the establishment of an Other Post-Employment Benefits (OPEB) trust fund that will be administered by the California Public Employees Retirement System (CalPERS). The City maintains the following governmental fund types:

- General Fund – The General Fund is the City’s primary operating fund and is used to account for the proceeds of revenue sources that are not legally restricted to expenditures for specified purposes.
- Special Revenue Funds (“Special Funds”) – Special funds are used to account for the proceeds of revenue sources that are legally restricted to expenditures for specified purposes (e.g., grants and Measure M2 allocations). The City’s special funds are categorized as primarily relating to environmental, community services, public safety, or transportation.
- Capital Projects Fund – The Capital Projects Fund is used to account for transfers from the General Fund that are reserved for either current- or future-year capital improvement purposes. The Capital Projects Fund is combined with the General Fund for the purpose of reporting in the City’s Comprehensive Annual Financial Report (CAFR).

## **ANNUAL APPROPRIATIONS LIMIT (“GANN LIMIT”)**

California’s Proposition 4, commonly referred to as the “Gann Initiative,” was approved by voters on November 6, 1979. The Gann Initiative added Article XIII B to the California State Constitution, establishing a limit on the amount of tax proceeds that state and local governments can receive and appropriate on an annual basis (“Gann limit”). Gann limits vary amongst agencies and are either based on the amount of tax revenue that was authorized to be spent in Fiscal Year 1978-79 or, in the case of the City of Laguna Woods and other local governments that incorporated after Fiscal Year 1978-79, on an amount

established by voters. Gann limits are modified, annually, according to calculation methods established by California’s Proposition 111 (1990).

The City’s Gann limit is adopted by the City Council by resolution each year as a part of the budget and work plan development process (see Resolution No. 16-XX included with this budget as Appendix D). The Gann limit for Fiscal Year 2016-17 is \$9,546,508 and was calculated as shown below.

*[Gann Limit Calculation – Fiscal Year 2016-16]*

Fiscal Year 2015-16 Gann Limit	\$8,971,351
Population Change (County of Orange) <sup>6</sup>	x 1.0099
Cost of Living Change (Per Capita Personal Income) <sup>5</sup>	x 1.0537
Fiscal Year 2016-17 Gann Limit	\$9,546,508
Fiscal Year 2016-17 Appropriations Subject to the Gann Limit	<u>\$3,796,765</u>
Fiscal Year 2016-17 Gann Limit over Appropriations	<u>\$5,749,743</u>

**RETIREMENT AND OTHER POST-EMPLOYMENT BENEFIT COSTS**

*California Public Employees Retirement System*

The City maintains defined benefit pension plans that are administered by the California Public Employees’ Retirement System (CalPERS). The plans provide benefits to qualified employees based on their number of years of service, age at retirement, and final compensation (average salary for a defined period of employment). City employees hired prior to January 1, 2013, or otherwise eligible pursuant to the Public Employees’ Pension Reform Act of 2013 (PEPRA), are considered “classic” members and are enrolled in CalPERS’ 2% at age 55 plan. Classic members contribute 7% of their annual covered salary. City employees hired on or after January 1, 2013, and not considered “classic” members (“new/PEPRA members”), are enrolled in CalPERS’ 2% at age 62 plan and contribute a percentage of their annual covered salary pursuant to PEPRA (6.65% for Fiscal Year 2016-17).

CalPERS produces annual valuation reports for the City’s defined benefit pension plans, which are available at City Hall and on CalPERS’ website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The most recent report is dated October 2014 with a

---

<sup>6</sup> State of California, Department of Finance, *Price and Population Information*. May 2016. Factors are rounded to four decimal places for presentation purposes.

valuation as of June 30, 2013. The report includes calculations of the City's unfunded liability (\$393,424 as of June 30, 2013) and funded status (81.3% as of June 30, 2013), as well as a discussion of factors influencing plan costs.

*[Retirement Rates and Employer Contributions]*

	Fiscal Year 2013-14 (Valuation as of June 30, 2011)	Fiscal Year 2014-15 (Valuation as of June 30, 2012)	Fiscal Year 2015-16 (Valuation as of June 30, 2013)	Fiscal Year 2016-17 (Valuation as of June 30, 2014)
<i>Classic Employees</i>				
Normal Cost	9.409%	9.154%	9.344%	9.476%
Amortization of Unfunded Liability	2.230%	3.208%	\$15,072	\$18,622
Total	11.639%	12.362%		
<i>New/PEPRA Employees</i>				
Normal Cost	6.550%	6.550%	6.570%	6.650%
Amortization of Unfunded Liability	-	-	-	-
Total	6.550%	6.550%	6.570%	6.650%
Employer Contribution	\$88,608 (Actual)	\$80,286 (Actual)	\$80,377 (Projected)	\$78,288 (Projected)
Percent of General Fund Operating Budget	2.172%	2.001%	1.592%	1.483%

*Social Security and Medicare*

In addition to CalPERS' defined benefit pension plans, the City participates in Social Security and Medicare, which provide retirement and health benefits to qualified employees beginning as early as age 62. City employees pay the full "employee contribution" and the City pays an equivalent "employer contribution," which for Fiscal Year 2016-17 is 6.2% on earnings up to \$118,500 for Social Security and 1.45% on all earnings for Medicare. The employer contribution for Fiscal Year 2016-17 is projected to be \$45,042.

*Other-Post Employment Benefits (Retiree Medical)*

As a member of the CalPERS health insurance program, the City is statutorily required to offset a portion of the cost of CalPERS health insurance premiums

for qualified, retired employees at a minimum rate adjusted annually. Rates are established by State law with the current monthly cost per employee at \$100. The blended monthly cost for Fiscal Year 2016-17 is estimated to increase to \$105 per employee for a total employer contribution of \$3,783.

An actuarial study completed in April 2016 calculated the City's unfunded liability for retiree medical other post-employment benefits (OPEB) at \$75,638, as of July 1, 2016. In Fiscal Year 2015-16, the City established an irrevocable OPEB trust with an initial funding level of 80% of the unfunded liability (\$60,511). While many employers use a "pay-as-you-go" formula to minimally fund OPEB liabilities, the establishment of an interest-bearing OPEB trust allows the City to proactively manage future costs and reduce unfunded liabilities. This budget and work plan does not include any additional contributions to the OPEB trust. The next actuarial study will be for Fiscal Year 2017-18, after which additional contributions may be necessary to maintain a funding level of at least 80% of the recalculated unfunded liability.

#### Law Enforcement Retirement and Post-Employment Benefits

Agreements for law enforcement services with the County of Orange include certain employee retirement and OPEB-related expenses. While the City is not responsible for the County of Orange's long-term retirement or OPEB liabilities, changes in employer contribution rates and actuarial valuations for the Orange County Employees Retirement System (OCERS) create a year-to-year budgetary risk exposure for the City. While retirement and OPEB-related expenses have a material and generally upward impact on the City's costs, the City does not have a role in OCERS' decision-making. The County of Orange's long-term law enforcement services cost projections (see page 66) do not explicitly identify pension costs with amortized unfunded liabilities.

*This page is intentionally blank.*

# 6.0. CITY BUDGET DETAIL

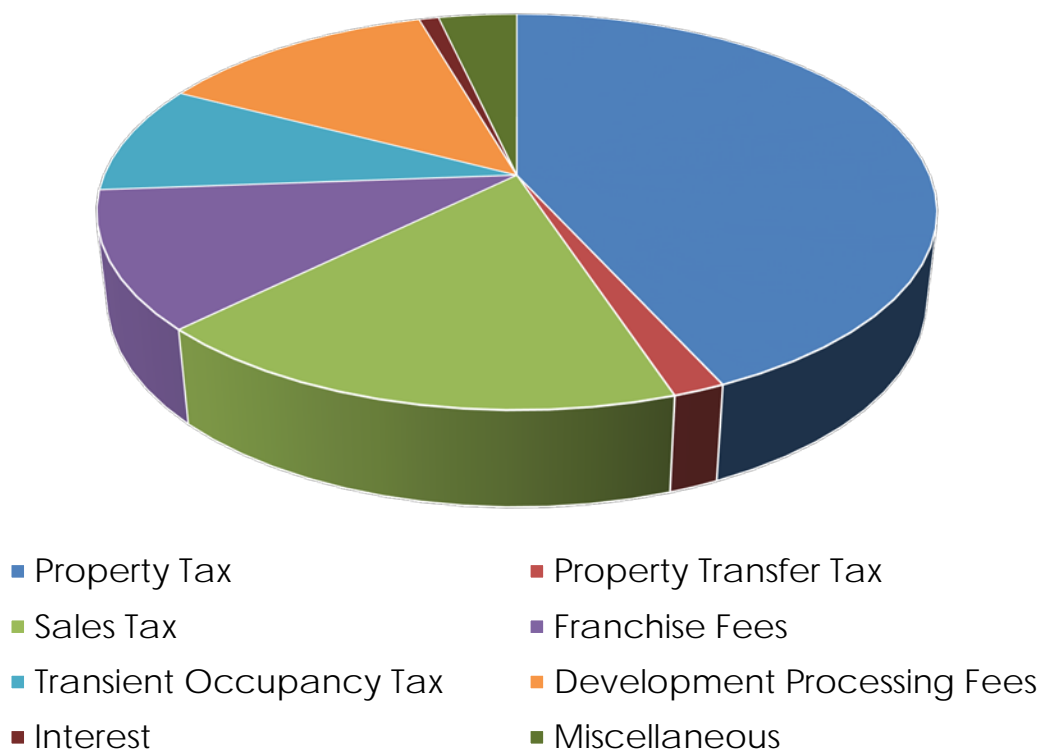
*This chapter is intended to present revenue and expenditure detail for the programs, projects, and services included in this budget.*

## GENERAL FUND REVENUE SUMMARY

General Fund revenue for Fiscal Year 2016-17 is estimated to be \$5,261,000, or 4.4%, more than the Fiscal Year 2015-16 budget, and \$112,000, or 2.2%, more than year-end estimates for Fiscal Year 2015-16 (less one-time revenue). The differences in revenue can be attributed to a variety of contributing factors including modest increases in property tax, sales tax, and development processing fee revenue.

The three largest sources of General Fund revenue for Fiscal Year 2016-17 are anticipated to be property tax, sales tax, and development processing fees, which collectively account for approximately 73.7% of estimated revenue.

*[General Fund Revenue Estimates by Source – Fiscal Year 2016-17]*



[General Fund Revenue by Source – Percent of Total General Fund]

General Fund Revenue Source	Percent of Actual Year-End Receipts (Fiscal Year 2014-15)	Percent of Year-End Budget Projection (Fiscal Year 2015-16)	Percent of Adopted Budget Estimate (Fiscal Year 2016-17)
Property Tax	42.7%	41.9%	43.2%
Property Transfer Tax	1.9%	1.7%	1.7%
Sales Tax	19.2%	18.6%	17.7%
Franchise Fees	12.8%	11.7%	11.2%
Transient Occupancy Tax	9.6%	9.0%	8.9%
Development Processing Fees	9.7%	12.6%	12.8%
Fines	0.5%	0.1%	-*
Interest	0.4%	0.7%	0.9%
Miscellaneous	3.2%	3.7%	3.6%

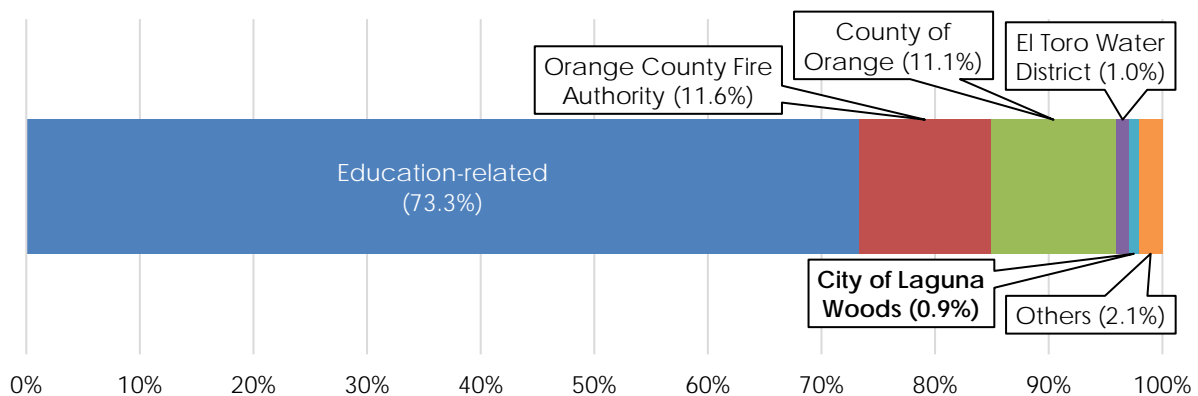
\* Beginning with the Fiscal Year 2016-17 budget, revenue from fines (e.g., traffic citations) is accounted for as a part of Miscellaneous revenue.

This budget accounts for property tax in lieu of vehicle license fees as a part of general property tax revenue; property tax in lieu of sales tax as a part of sales tax revenue; and, property transfer tax separately.

Property Tax Allocation

For every dollar of property tax paid, the City receives an average of only \$0.00879. Over 73% of every property tax dollar funds education.

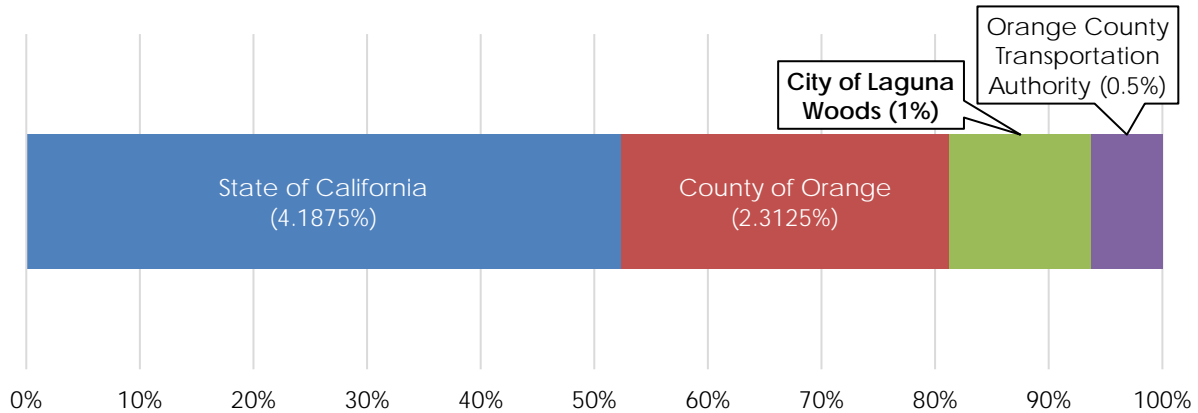
[Average Property Tax Allocation – Tax Rate Area 32010]



Sales Tax Allocation

Of the 8% local sales tax rate, the City receives only 1% of tax proceeds. The majority of sales tax revenue is paid to the State of California and the County of Orange. The City receives a portion of the half-cent sales tax collected by the Orange County Transportation Authority pursuant to Measure M2, which is reported in the Special Funds section of this budget.

[Sales Tax Allocation]



[Top 25 Sales Tax Producers – 2015 Calendar Year<sup>6</sup>]

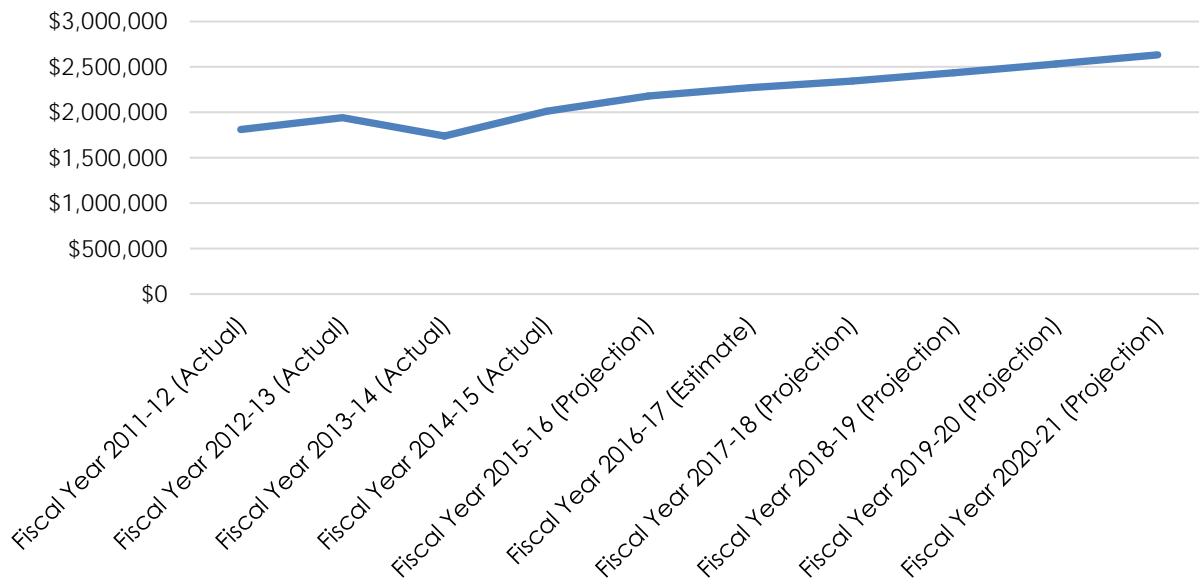
19 Restaurant & Lounge	Olive Garden
Adapt 2 It	Papa John's
Carl's Jr.	Rite Aid
CVS Pharmacy	Saddleback Golf Cars
Firehouse Subs	Stage 21 Bikes
Golden Rain Foundation	Stanley Okon Dental Lab
Home Depot	Starbucks
Hometown Buffet	Stater Bros.
Jack in the Box	Thaitanium
Leisure World Mobil	Tomo Sushi
Mothers Market	Valvoline Instant Oil Change
Moulton Arco AM/PM	Vons
OfficeMax	

<sup>6</sup> Sales Tax Allocations Adjusted for Economic Data, January 2014 through December 2015, Hinderliter, de Llamas & Associates. Based on information from the State Board of Equalization. Sales tax producers are presented in alphabetical order.

Summary of Significant Trends and Observations

- Property tax revenue is estimated to increase by \$158,000, or 7.5%, from the Fiscal Year 2015-16 budget due, in part, to continued growth in home sale prices, continued recapture of assessed property valuations that had been temporarily reduced pursuant to Proposition 8’s tax relief program, and an increase in the Consumer Price Index used by the Orange County Assessor to calculate annual property valuations.
- Modest increases in property tax revenue are estimated over the next five years with an average annual increase of 3.92%. Property tax is known to experience periodic economic fluctuations which may result in as of yet unknown, but potentially significant, decreases in revenue.

*[Property Tax Revenue – Fiscal Years 2011-12 through 2020-21]*

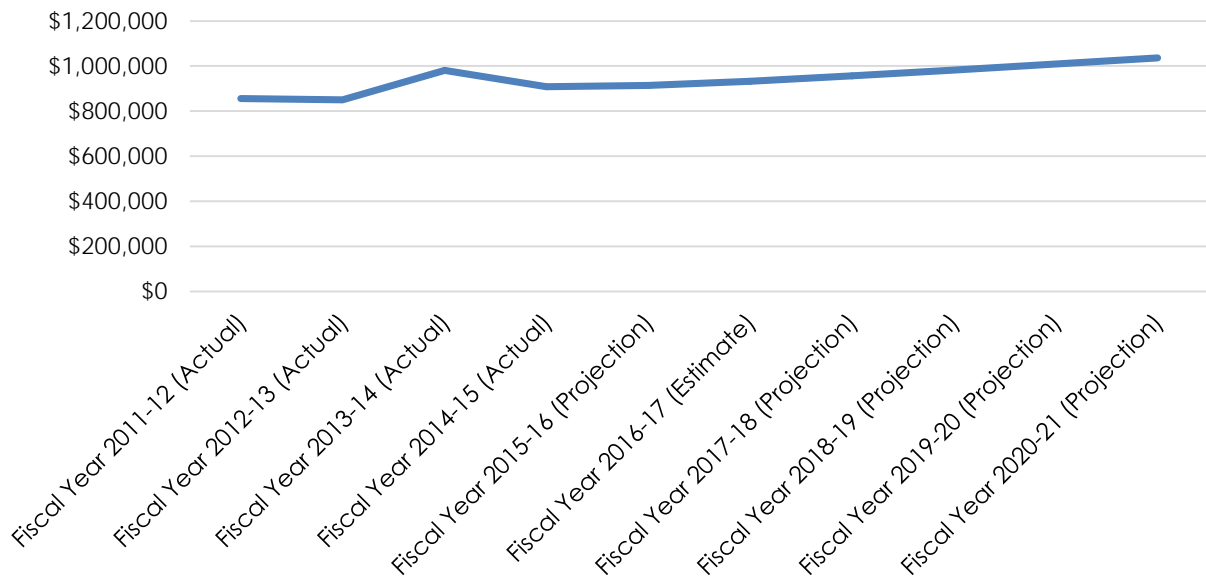


- Sales tax revenue is estimated to increase by \$45,000, or 5.1%, from the Fiscal Year 2015-16 budget due, in part, to consumer spending growth as the economy continues to improve. The increase is tempered by the closure of two of the Top 25 Sales Tax Producers (Hometown Buffet and Vons) in the first quarter of the 2016 calendar year. A third Top 25 Sales Tax Producer (Thaitanium) has notified the City of its closure plans.
- Fiscal Year 2015-16 was the final year of Proposition 57’s triple flip, which temporarily modified sales tax allocations in order to allow the State of California to establish a Fiscal Recovery Fund to pay for bonds issued for deficit reduction. The Fiscal Year 2015-16 budget included one-time

revenue of approximately \$55,000 related to the end of the triple flip, which the City will not receive again in Fiscal Year 2016-17.

- The City’s sales tax base continues to be limited in size and lacking diversity with the top 25 sales tax producers accounting for more than 96% of total sales tax revenue in the 2015 calendar year. This over-dependence on a narrow subset of sales tax producers means that the City is particularly vulnerable to significant fluctuations of sales tax revenue, the totality of which funds approximately 17.7% of the General Fund operating budget for Fiscal Year 2016-17.
- Small increases in sales tax revenue are estimated over the next five years with an average annual increase of 2.65%. Sales tax is known to experience periodic economic fluctuations which may result in as of yet unknown, but potentially significant, decreases in revenue. The size and lack of diversity of the City’s sales tax base creates the potential for significant revenue fluctuations and near- and short-term instability.

*[Sales Tax Revenue – Fiscal Years 2011-12 through 2020-21]*



- In late-2015, the City entered into a new franchise agreement for solid waste handling services. The new agreement structures the franchisee’s required payments in a manner that provides the City with greater ongoing revenue growth and predictability than previously existed.
- Bus shelter franchise fee revenue is estimated to decrease by \$20,000, or 50%, from the Fiscal Year 2015-16 budget due to the expiration of the existing franchise agreement in December 2016. While indications are

that the existing franchisee is interested in extending the agreement, negotiations are still ongoing. Accordingly, this budget assumes that bus shelter franchise revenue will end in December 2016.

- Development processing fee revenue is estimated to increase by \$48,000, or 7.7%, from the Fiscal Year 2015-16 budget due, in part, to an increase in private building-related work and an update of the City's fee schedules to continue to seek 100% cost recovery. As development processing fees are charged to recover the City's reasonable costs of providing services, expenditures are also projected to increase.
- Miscellaneous revenue is estimated to increase by \$32,000, or 20.3%, from the Fiscal Year 2015-16 budget due, in part, to changes in the payments required by the new solid waste handling services franchise agreement and the recent approval of the Waste Disposal Agreement with the County of Orange, which includes ongoing revenue for the City related to the importation of waste to Orange County landfills.

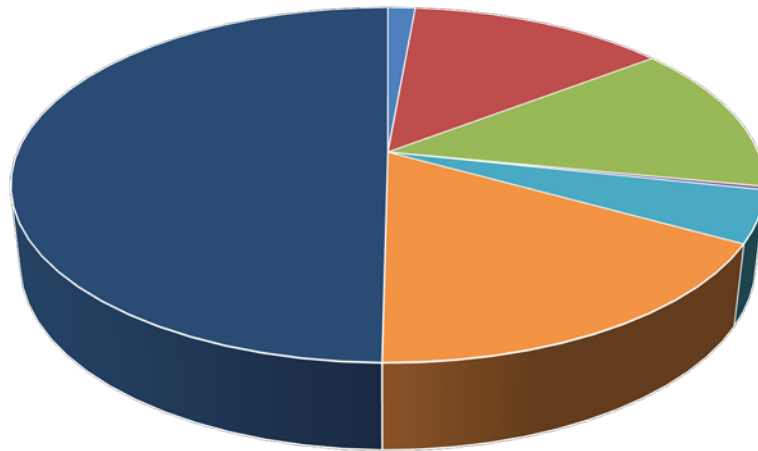
## **GENERAL FUND EXPENDITURES SUMMARY**

General Fund operating expenditures for Fiscal Year 2016-17 are budgeted at \$5,248,513, or 4.2% more than the Fiscal Year 2015-16 budget. An additional \$158,043 in non-operating expenditures and transfers for capital projects is budgeted to provide funding for the following:

- Law Enforcement Services 800 MHz Next Generation Project
- Payroll Tax Reconciliations
- City Hall Restroom Repair and Improvement Project (Design)
- Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia) - Accessibility

The three largest types of General Fund operating budget expenditures for Fiscal Year 2016-17 are anticipated to be public safety services [including law enforcement (Orange County Sheriff's Department) and animal control and shelter services]; planning and environmental services (including building, planning, code enforcement, water quality, waste, and recycling services); and, general government (including City Hall building maintenance, legal services, and other central or non-departmental services and City personnel, as well as City personnel to support public safety services).

[General Fund Operating Expenditures by Program – Fiscal Year 2016-17\*]



- City Council
- General Government
- Administrative Services
- Community Services
- Engineering & Infrastructure Services
- Planning & Environmental Services
- Public Safety Services

[General Fund Operating Expenditures by Program – Percent]

General Fund Operating Expenditure Program	Percent of General Fund Operating Budget*
City Council	1.4%
General Government	13.2%
Administrative Services	13.5%
Community Services	0.3%
Engineering & Infrastructure Services	4.7%
Planning & Environmental Services	17.1%
Public Safety Services	49.8%

\* Non-operating expenditures and transfers to Special Funds for Capital Projects and the Senior Mobility Program are not included.

Contract Law Enforcement Services

Routine law enforcement services provided under contract with the Orange County Sheriff’s Department represent the single largest expenditure in the General Fund operating budget, at 47.1%, or \$2,472,672, assuming an offset of \$100,000 in Supplemental Law Enforcement Services Account funding from the State of California (accounted for in the Special Funds section of this budget), a savings of \$6,448 in early payment discounts (as provided for in the City’s contract with the County of Orange), and \$13,000 in vacancy credits based on historic averages. Additional non-operating expenditures to continue the City’s participation in the countywide 800 MHz Next Generation Project total \$7,743.

The share of the routine law enforcement services contract borne by the General Fund operating budget in Fiscal Year 2016-17 includes an increase of 8.81%, or \$209,961, from Fiscal Year 2015-16 due, in part, to:

- Salary and benefit increases negotiated and approved by the Orange County Board of Supervisors (the City does not have a role in labor negotiations); and
- Overtime increases calculated using a new methodology developed by the County of Orange and an increased assumption of total hours.

Over the next four fiscal years, the County of Orange is projecting continued increases in routine contract law enforcement services costs that total 6.78%. Those projections are recalculated annually and are subject to change.

*[Projected Change in Routine Contract Law Enforcement Services Costs<sup>7</sup>]*

Fiscal Year	Projected Percent Change	Projected New General Fund Fiscal Impact
2017-18	0.46%	(\$11,914)
2018-19	3.08%	(\$80,126)
2019-20	2.09%	(\$56,130)
2020-21	1.01 %	(\$27,690)
Change from Fiscal Year 2015-16	6.78%	(\$175,860)

<sup>7</sup> County of Orange. Law Enforcement Contracts Cost Projections (2014 SFP). February 2, 2014. Based on the City’s Fiscal Year 2015-16 staff levels and excluding non-operating costs.

**“AT-A-GLANCE” GENERAL FUND SUMMARY**

*[General Fund Revenue over Operating Expenditures Estimate]*

Total General Fund Revenue Estimate:	\$5,261,000
Non-Operating Revenue Estimate:	(\$ 0)
Operating Expenditures:	(\$5,248,513)
Total General Fund Operating Revenue over Operating Expenditures:	\$ 12,487

*[Total General Fund Non-Operating Expenditures and Transfers]*

Non-Operating Expenditures:	\$ 67,743
Transfers to Capital Projects Fund:	<u>\$ 90,300</u>
	\$ 158,043

*[Total General Fund Expenditures]*

Total General Fund Operating Expenditures:	\$5,248,513
Total General Fund Non-Operating Expenditures and Transfers:	<u>\$ 158,043</u>
	\$5,406,555

At the end of Fiscal Year 2016-17, the unallocated (or, unassigned) General Fund balance is estimated to be \$6,994,162, or 133%, of Fiscal Year 2016-17 operating expenditures. The City maintains additional reserves for paid leave, self-insurance, and general contingency purposes.

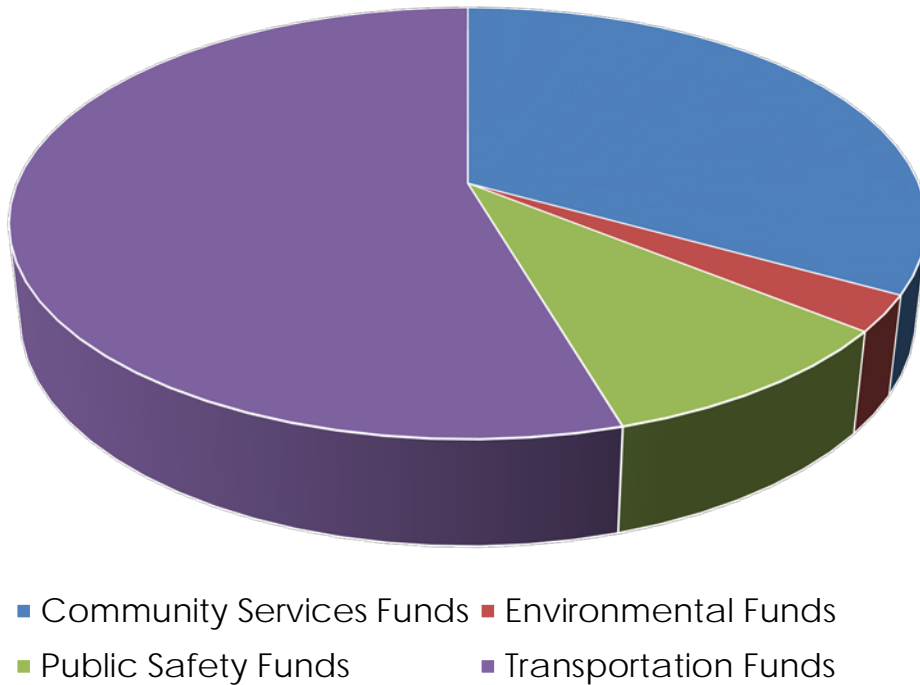
**SPECIAL FUNDS REVENUE SUMMARY**

Special Funds revenue for Fiscal Year 2016-17 is estimated to be \$1,080,700, or 53.5%, less than the Fiscal Year 2015-16 budget, and 23.4%, or \$329,225, less than year-end estimates for Fiscal Year 2015-16. The differences in revenue can be attributed to a projected decrease in fuel tax revenues and one-time revenue for two traffic signal synchronization projects that were budgeted in Fiscal Year 2015-16, the balances of which will be carried over to the Fiscal Year 2016-17 budget.

The three largest sources of Special Funds revenue for Fiscal Year 2016-17 are anticipated to be Fuel Tax (including highway users tax/gasoline excise tax), Measure M2 (including fair share allocations and grant-related revenues), and Senior Mobility (including Senior Mobility Program and Transportation

Development Act funding from the Orange County Transportation Authority, as well as user fee revenue). Fuel Tax and Measure M2 fair share revenue, both of which can be used for operations and maintenance of public right-of-way, account for approximately 50% of Special Funds revenue.

*[Special Funds Revenue Estimates by Category – Fiscal Year 2016-17]*



*[Special Funds Revenue by Category – Percent of Total Special Funds]*

Special Fund Revenue Category	Percent of Actual Year-End Receipts (Fiscal Year 2014-15)	Percent of Year-End Budget Projection (Fiscal Year 2015-16)	Percent of Adopted Budget Estimate (Fiscal Year 2016-17)
Community Services	16.5%	27.0%	34.6%
Environmental	3.1%	2.2%	2.9%
Public Safety	8.5%	8.0%	9.9%
Transportation	71.9%	62.8%	52.6%

### Summary of Significant Trends and Observations

- Fuel tax revenue is estimated to decrease by \$53,000, or 13.2%, from the Fiscal Year 2015-16 budget due, in part, to decreases in gasoline consumption and prices, as well as year-to-year adjustments mandated in the State of California's Fuel Tax Swap of 2010<sup>8</sup>. The fuel tax revenue estimated for Fiscal Year 2016-17 represents the lowest amount that the City will receive since Fiscal Year 2008-09. This reduction is concerning, particularly as a part of a trend that is likely to continue as vehicles become increasingly fuel efficient, in that fuel tax is a significant source of funding for street and right-of-way operations and maintenance.
- Total Measure M2 revenue is estimated to decrease by \$1,203,580, or 84.7%, from the Fiscal Year 2015-16 budget due, in part, to one-time revenue related to the El Toro Road and Moulton Parkway traffic signal synchronization projects, which was budgeted in Fiscal Year 2015-16 and will be carried over to the Fiscal Year 2016-17 budget. Measure M2 fair share revenue, which is ongoing, is estimated to increase by \$10,000, or 4.8%, from the Fiscal Year 2015-16 budget<sup>9</sup>.
- While there is no supplemental funding projected to be required from the General Fund to support the Senior Mobility Program in Fiscal Year 2016-17, 19.4% of the program's revenue is the product of a temporary allocation of Transportation Development Act funding from the Orange County Transportation Authority. This budget assumes that funding that was scheduled to end in June 2015 will be extended by the Orange County Transportation Authority's Board of Directors.
- Fiscal Year 2015-16 is the second of a three-year cycle of Community Development Block Grant funding to support the Residential Energy Efficiency Improvement Program. Funding is subject to appropriation by the United States Department of Housing and Urban Development and approval of the Orange County Board of Supervisors.

## **SPECIAL FUNDS EXPENDITURES SUMMARY**

Special Fund expenditures for Fiscal Year 2016-17 are budgeted at \$1,238,633, or 49.3%, less than the Fiscal Year 2015-16 budget, and \$60,136, or 5.1%, more than year-end projections for Fiscal Year 2015-16. The differences in

---

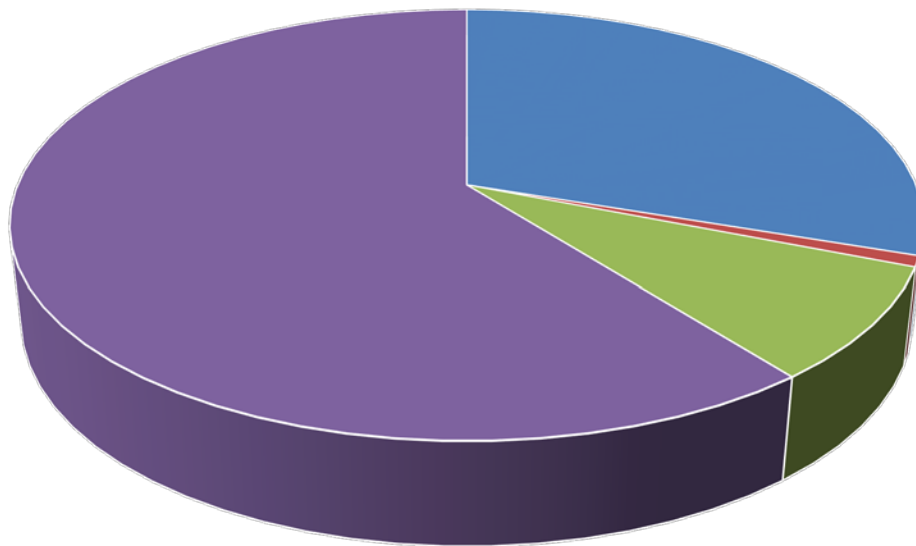
<sup>8</sup> CaliforniaCityFinance.com, Shared Revenue Estimates: State Revenue Allocations to Cities and Counties Highway User Tax – Estimates for 2015-16, 2014-15, February 25, 2015.

<sup>9</sup> Orange County Transportation Authority, Measure M2 Local Fair Share Program Revenue Estimates, FY 2014-15 through FY 2020-21, April 2016.

expenditures can be attributed to budgeting in the prior year for the El Toro and Moulton Parkway traffic signal synchronization projects.

The two largest types of Special Fund budget expenditures for Fiscal Year 2016-17 are anticipated to be transportation (including public right-of-way maintenance, public roadway lighting, traffic engineering, and roadway-related capital improvement projects) and community services [including the Senior Mobility Program, residential energy efficiency improvement program, and local government television channel equipment (Channel 31)], which collectively account for 90.4% of total Special Funds expenditures.

*[Special Funds Expenditures by Fund Category – Fiscal Year 2016-17]*



- Community Services Funds   ■ Environmental Funds
- Public Safety Funds   ■ Transportation Funds

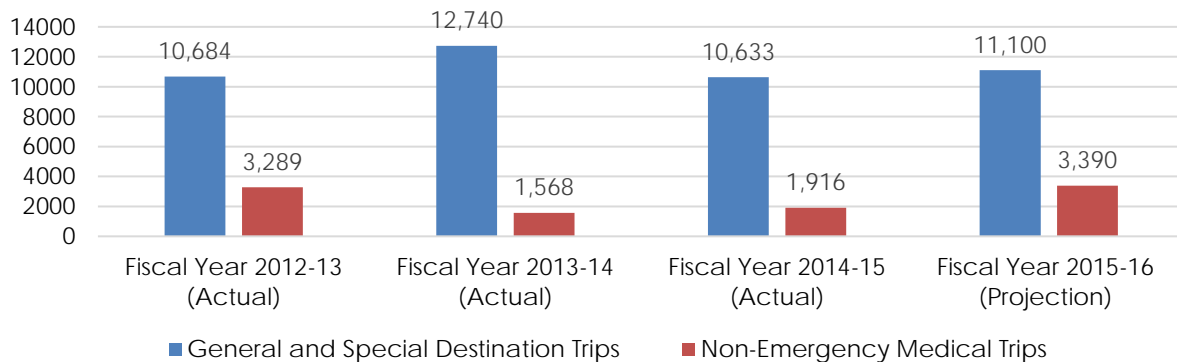
*[Special Funds Expenditures by Fund Category – Percent]*

Special Fund Expenditure Category	Percent of Special Funds Budget
Community Services	31.3%
Environmental	0.8%
Public Safety	8.7%
Transportation	59.2%

### Senior Mobility Program

The Fiscal Year 2016-17 budget includes \$240,088 in expenditures related to the Senior Mobility Program (Taxi Voucher Program), which is a 9.1% increase from the Fiscal Year 2015-16 budget. The increase in expenditures is based on increased transportation costs and a projected increase in usage.

*[Senior Mobility Program Trips – Fiscal Years 2012-13 through 2015-16]*



## **CAPITAL PROJECTS FUND REVENUE AND EXPENDITURES**

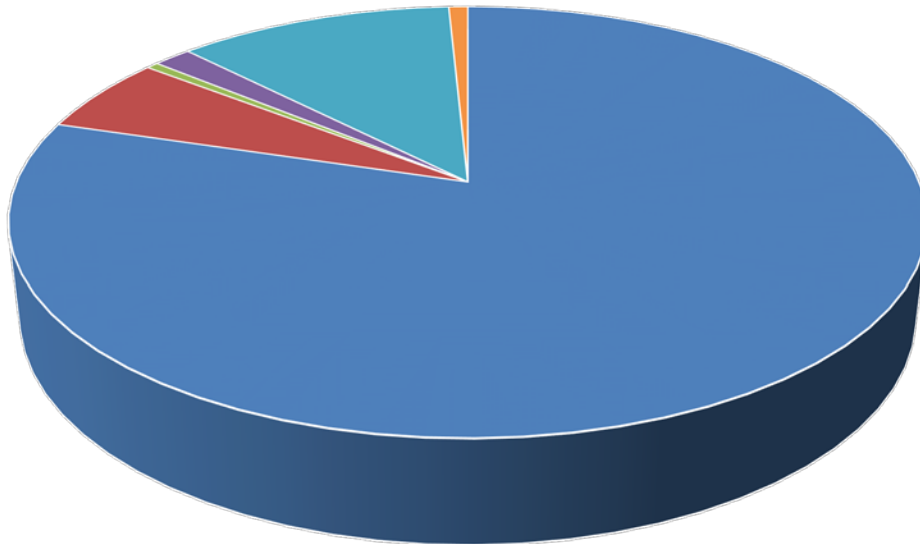
Capital Projects Fund revenue for Fiscal Year 2016-17 is estimated at \$137,240, all of which is transferred from the General Fund. That revenue will be used to fund expenditures related to the following:

- El Toro Road Traffic Signal Synchronization Project
- Moulton Parkway Traffic Signal Synchronization Project
- City Hall Restroom Repair and Improvement Project (Design)
- Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia)

## “ALL FUNDS” REVENUE SUMMARY

Total Fiscal Year 2016-17 revenue from the General Fund, Special Funds, and Capital Projects Fund is estimated at \$6,388,640 (excluding internal transfers).

*[Total Revenue Estimates by Fund – Fiscal Year 2016-17]*



- General Fund
- Environmental Funds
- Transportation Funds
- Community Services Funds
- Public Safety Funds
- Capital Projects Fund

*[Total Revenue Estimates by Fund – Percent]*

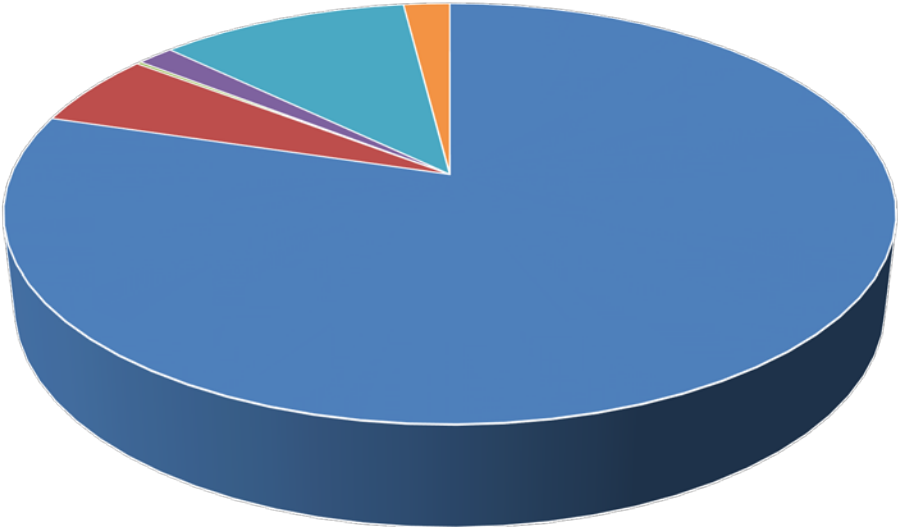
Fund(s)	Percent of Total Estimated Revenue
General	82.3%
Community Services	5.9%
Environmental	0.5%
Public Safety	1.7%
Transportation	8.9%
Capital Projects*	0.7%

\* All Capital Projects revenue is transferred from the General Fund.

**“ALL FUNDS” EXPENDITURES SUMMARY**

Total Fiscal Year 2016-17 expenditures from the General Fund, Special Funds, and Capital Projects Fund are budgeted at \$6,692,128 (excluding internal transfers). Please note that expenditures exceed revenues as a result of one-time non-operating expenditures and expenditures for projects that utilize revenues received in prior fiscal years.

*[Total Expenditures Estimates by Fund – Fiscal Year 2016-17]*



- General Fund
- Environmental Funds
- Transportation Funds
- Community Services Funds
- Public Safety Funds
- Capital Projects Fund

*[Total Expenditures Estimates by Fund – Percent]*

Fund	Percent of Total Budgeted Expenditures
General – Operating	77.4%
General – Non-Operating	2.3%
Community Services	5.7%
Environmental	0.2%
Public Safety	1.6%
Transportation	10.8%
Capital Projects	2.0%

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Revenue Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	
<b>GENERAL FUND</b>							
Property Tax	1,739,807	2,019,911	2,114,000	2,180,000	2,272,000	7.5%	4.2%
Property Transfer Tax	71,991	88,357	81,000	89,000	90,000	11.1%	1.1%
Sales Tax:							
Regular	980,555	908,621	887,000	914,000	932,000	5.1%	2.0%
One-Time	-	-	55,000	57,000	-	-100.0%	-100.0%
Franchise Fees	628,028	604,739	611,000	611,000	591,000	-3.3%	-3.3%
Transient Occupancy Tax	443,361	452,293	452,000	466,000	467,000	3.3%	0.2%
Development Processing Fees	475,972	459,906	623,000	655,000	671,000	7.7%	2.4%
Fines	248,089	25,810	10,000	7,000	-	-100.0%	-100.0%
Interest	18,216	18,657	48,000	34,000	48,000	0.0%	41.2%
Miscellaneous	66,403	150,814	158,000	193,000	190,000	20.3%	-1.6%
<b>Total General Fund</b>	<b>4,672,421</b>	<b>4,729,106</b>	<b>5,039,000</b>	<b>5,206,000</b>	<b>5,261,000</b>	<b>4.4%</b>	<b>1.1%</b>
Less: One-Time Sales Tax	-	-	(55,000)	(57,000)	-	-100.0%	-100.0%
<b>Total General Fund (ongoing)</b>	<b>4,672,421</b>	<b>4,729,106</b>	<b>4,984,000</b>	<b>5,149,000</b>	<b>5,261,000</b>	<b>5.6%</b>	<b>2.2%</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Revenue Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
Plus: INTER-FUND TRANSFERS*	-	-	1,043,009	1,043,009	-	-100.0%	-100.0%
Self-Insurance Fund*	199,913	-	-	-	-	0.0%	0.0%
<b>TOTAL GENERAL FUND (including Self-Insurance and one-time revenues)</b>	<b>4,872,334</b>	<b>4,729,106</b>	<b>6,082,009</b>	<b>6,249,009</b>	<b>5,261,000</b>	<b>-13.5%</b>	<b>-15.8%</b>
<b><u>SPECIAL FUNDS:</u></b>							
<b><u>Transportation Funds</u></b>							
Fuel Tax	593,948	537,418	403,000	378,000	350,000	-13.2%	-7.4%
Measure M1	77,100	235,774	-	4,075	-	0.0%	-100.0%
Measure M2	219,040	177,604	1,421,580	208,000	218,000 **	-84.7%	4.8%
Prop 1B -- State-Local Partnership Program (SLPP)	-	-	-	293,000	-	0.0%	-100.0%
Traffic Mitigation Fees - Moulton Parkway Project	681,800	709,529	-	1,800	-	0.0%	-100.0%
Federal Transportation Enhancement (TE)	22,359	-	-	-	-	0.0%	0.0%

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Revenue Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
Coastal Area Road Improvement and Traffic Signals (CARITS)	365	349	-	600	-	0.0%	-100.0%
<b>Total Transportation Funds</b>	<b>1,594,612</b>	<b>1,660,675</b>	<b>1,824,580</b>	<b>885,475</b>	<b>568,000</b>	<b>-68.9%</b>	<b>-35.9%</b>
<b>Public Safety Funds</b>							
Service Authority for Abandoned Vehicles	40	82	-	120	-	0.0%	-100.0%
Supplemental Law Enforcement Services	105,816	103,064	100,000	112,580	108,000	8.0%	-4.1%
Disaster Recovery Initiative (DRI) Grant	61,188	93,036	-	-	-	0.0%	0.0%
Points of Dispensing Activities	9,356	-	-	-	-	0.0%	0.0%
<b>Total Public Safety Funds</b>	<b>176,400</b>	<b>196,181</b>	<b>100,000</b>	<b>112,700</b>	<b>108,000</b>	<b>8.0%</b>	<b>-4.2%</b>
<b>Environmental Funds</b>							
Mobile Source Reduction	25,508	20,753	20,000	21,000	21,000	5.0%	0.0%
Proposition 84 Grant	57,888	-	-	-	-	0.0%	0.0%

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Revenue Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
Beverage Container Recycling	5,068	53	5,000	5,100	5,000	0.0%	-2.0%
Used Oil/Oil Payment Program	4,976	5,035	5,000	5,050	5,000	0.0%	-1.0%
Energy Efficiency Conservation	(4,492)	-	-	100	-	0.0%	0.0%
CalRecycle Grant	-	46,000	-	-	-	0.0%	0.0%
OC Recycling Grant	-	-	-	-	-	0.0%	0.0%
<b>Total Environmental Funds</b>	<b>88,948</b>	<b>71,840</b>	<b>30,000</b>	<b>31,250</b>	<b>31,000</b>	<b>3.3%</b>	<b>-0.8%</b>
<b><u>Community Services Funds</u></b>							
PEG/Cable Television	27,280	13,349	13,400	13,500	13,700	2.2%	1.5%
Senior Mobility	298,103	229,454	221,500	232,000	225,000	1.6%	-3.0%
Community Development Block Grant (CDBG)	263,703	136,815	133,165	135,000	135,000	1.4%	0.0%
<b>Total Community Services Funds</b>	<b>589,086</b>	<b>379,618</b>	<b>368,065</b>	<b>380,500</b>	<b>373,700</b>	<b>1.5%</b>	<b>-1.8%</b>
<b>TOTAL SPECIAL FUNDS</b>	<b>2,449,046</b>	<b>2,308,315</b>	<b>2,322,645</b>	<b>1,409,925</b>	<b>1,080,700</b>	<b>-53.5%</b>	<b>-23.4%</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Revenue Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
<b>CAPITAL PROJECTS FUND:</b>							
Capital Projects	-	91,320	62,780	64,780	137,240	118.6%	111.9%
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>-</b>	<b>91,320</b>	<b>62,780</b>	<b>64,780</b>	<b>137,240</b>	<b>118.6%</b>	<b>111.9%</b>
<b>TOTAL REVENUE - ALL FUNDS</b>	<b>7,321,380</b>	<b>7,128,741</b>	<b>8,467,434</b>	<b>7,723,714</b>	<b>6,478,940</b>	<b>-23.5%</b>	<b>-16.1%</b>
Less: INTER-FUND TRANSFERS	238,187	88,697	1,105,789	1,105,789	90,300	-91.8%	-91.8%
<b>TOTAL NET REVENUE</b>	<b>7,083,193</b>	<b>7,040,044</b>	<b>7,361,645</b>	<b>6,617,925</b>	<b>6,388,640</b>	<b>-13.2%</b>	<b>-3.5%</b>
Less: One-Time Sales Tax	-	-	(55,000)	(57,000)	-	-100.0%	-100.0%
<b>TOTAL NET ONGOING REVENUE</b>	<b>7,083,193</b>	<b>7,040,044</b>	<b>7,306,645</b>	<b>6,560,925</b>	<b>6,388,640</b>	<b>-12.6%</b>	<b>-2.6%</b>

\* Transfers to the General Fund from Special Funds are generally a return of unexpended General Fund support not spent from prior years.

\*\* Beginning with Fiscal Year 2014-15, self-insurance premiums and deposits are being paid from the General Government section of the General Fund operating budget, rather than from a separate Self Insurance Fund. A Self-Insurance Reserve is maintained within the General Fund.

Unspent revenues related to capital projects and grant programs from Fiscal Year 2015-16, as well as certain operating budget items, will be carried over to the Fiscal Year 2016-17 budget.

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
<b>GENERAL FUND</b>							
City Council	46,204	-	-	-	-	0.0%	0.0%
Administrative Services	1,298,644	-	-	-	-	0.0%	0.0%
Community Development	390,208	-	-	-	-	0.0%	0.0%
Community Services	151,606	-	-	-	-	0.0%	0.0%
Public Safety	1,643,332	-	-	-	-	0.0%	0.0%
Public Works	228,528	-	-	-	-	0.0%	0.0%
Non-Departmental	90,817	-	-	-	-	0.0%	0.0%
City Council	-	24,684	24,785	19,695	70,852	185.9%	259.7%
General Government	-	656,781	975,810	832,576	755,179	-22.6%	-9.3%
Administrative Services	-	577,873	754,788	662,310	708,835	-6.1%	7.0%
Community Services	-	119,987	95,665	92,707	12,868	-86.5%	-86.1%
Engineering and Infrastructure Services	-	344,849	220,629	264,495	247,981	12.4%	-6.2%

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		% Change From 2015-16 Budget	% Change From 2015-16 Projection
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year			
Planning and Environmental Services	-	893,727	1,227,273	849,555	896,551	-26.9%	5.5%	
Public Safety Services	-	1,502,870	2,552,765	2,503,787	2,623,990	2.8%	4.8%	
<b>Subtotal General Fund `</b>	<b>3,849,340</b>	<b>4,120,772</b>	<b>5,851,715</b>	<b>5,225,125</b>	<b>5,316,255</b>	<b>-9.2%</b>	<b>1.7%</b>	
Economic Uncertainties Reserve	-	-	-	-	-	0.0%	0.0%	
Transfer to Self-Insurance Reserve*	199,913	-	-	-	-	0.0%	0.0%	
Transfer to PEG/Cable Television	4,481	-	-	-	-	0.0%	0.0%	
Transfer to Senior Mobility Fund	25,000	-	-	-	-	0.0%	0.0%	
Transfer to Capital Projects	-	88,697	62,780	62,780	90,300	43.8%	43.8%	
<b>Total General Fund</b>	<b>4,078,734</b>	<b>4,209,469</b>	<b>5,914,495</b>	<b>5,287,905</b>	<b>5,406,555</b>	<b>-8.6%</b>	<b>2.2%</b>	
Self-Insurance Fund*	103,770	-	-	-	-	0.0%	0.0%	
<b>TOTAL GENERAL FUND (including Self-Insurance)</b>	<b>4,182,504</b>	<b>4,209,469</b>	<b>5,914,495</b>	<b>5,287,905</b>	<b>5,406,555</b>	<b>-8.6%</b>	<b>2.2%</b>	

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
<b>SPECIAL FUNDS</b>							
<b>Transportation Funds</b>							
Fuel Tax	559,953	266,925	322,500	364,184	500,201	55.1%	37.3%
Measure M1	225,624	181,849	-	-	-	0.0%	0.0%
Measure M2	457,277	-	1,405,580	311,445	233,034	-83.4%	-25.2%
Prop 1B - State-Local Partnership Program (SLPP)	293,000	-	-	-	-	0.0%	0.0%
Traffic Mitigation Fees - Moulton Parkway Project	938,593	80,809	43,500	43,500	-	-100.0%	-100.0%
Federal Transportation Enhancement (TE)	22,569	-	-	-	-	0.0%	0.0%
Coastal Area Road Improvement and Traffic Signals (CARITS)	1,773	-	148,700	-	-	-100.0%	0.0%
<b>Total Transportation Funds</b>	<b>2,498,788</b>	<b>529,582</b>	<b>1,920,280</b>	<b>719,129</b>	<b>733,235</b>	<b>-61.8%</b>	<b>2.0%</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
<b>Public Safety Funds</b>							
Service Authority for Abandoned Vehicles	-	-	-	-	-	0.0%	0.0%
Supplemental Law Enforcement Services	96,620	112,226	100,000	112,580	108,000	8.0%	-4.1%
Disaster Recovery Initiative (DRI) Grant	127,594	22,811	-	-	-	0.0%	0.0%
Points of Dispensing Activities	9,356	-	-	-	-	0.0%	0.0%
<b>Total Public Safety Funds</b>	<b>233,570</b>	<b>135,037</b>	<b>100,000</b>	<b>112,580</b>	<b>108,000</b>	<b>8.0%</b>	<b>-4.1%</b>
<b>Environmental Funds</b>							
Mobile Source Reduction	-	-	-	-	-	0.0%	0.0%
Proposition 84 Grant	73,621	-	-	-	-	0.0%	0.0%
Beverage Container Recycling	3,166	298	5,000	4,798	5,000	0.0%	4.2%
Used Oil/Oil Payment Program	2,274	2,195	5,000	5,308	5,310	6.2%	0.0%
Energy Efficiency Conservation	735	-	-	-	-	0.0%	0.0%

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17			
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection	
CalRecycle Grants	14,968	13,714	46,000	-	-	0.0%	0.0%	
OC Recycling Grants	20,717	-	-	-	-	0.0%	0.0%	
<b>Total Environmental Funds</b>	<b>115,481</b>	<b>16,206</b>	<b>56,000</b>	<b>10,105</b>	<b>10,310</b>	<b>-81.6%</b>	<b>2.0%</b>	
<b>Community Services Funds</b>								
PEG/Cable Television	-	2,455	13,400	-	12,000	-10.4%	100.0%	
Senior Mobility	273,812	221,460	220,000	226,650	240,088	9.1%	5.9%	
Community Development Block Grant (CDBG)	222,532	136,815	133,165	110,034	135,000	1.4%	22.7%	
<b>Total Community Services Funds</b>	<b>496,344</b>	<b>360,730</b>	<b>366,565</b>	<b>336,684</b>	<b>387,088</b>	<b>5.6%</b>	<b>15.0%</b>	
<b>TOTAL SPECIAL FUNDS</b>	<b>3,344,183</b>	<b>1,041,556</b>	<b>2,442,845</b>	<b>1,178,495</b>	<b>1,238,633</b>	<b>-49.3%</b>	<b>5.1%</b>	
<b>CAPITAL PROJECTS FUND</b>								
Capital Projects	10,290	24,089	129,654	99,053	137,240	5.9%	38.6%	
Transfer to General Fund	-	-	1,043,009	1,043,009	-	-	-	-
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>10,290</b>	<b>24,089</b>	<b>1,172,663</b>	<b>1,142,062</b>	<b>137,240</b>	<b>-88.3%</b>	<b>-88.0%</b>	

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Summary - All Funds**

	2013-14	2014-15	2015-16		2016-17		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	% Change From 2015-16 Projection
<b>TOTAL EXPENDITURES</b>	<b>7,536,977</b>	<b>5,275,113</b>	<b>9,530,003</b>	<b>7,608,462</b>	<b>6,782,428</b>	<b>-28.8%</b>	<b>-10.9%</b>
Less: INTER-FUND TRANSFERS	229,394	88,697	1,105,789	1,105,789	90,300	-91.8%	-91.8%
<b>TOTAL NET EXPENDITURES</b>	<b>7,307,583</b>	<b>5,186,416</b>	<b>8,424,214</b>	<b>6,502,673</b>	<b>6,692,128</b>	<b>-20.6%</b>	<b>2.9%</b>

\* Beginning with Fiscal Year 2014-15, self-insurance premiums and deposits are being paid from the General Government section of the General Fund operating budget, rather than from a separate Self-Insurance Fund. A Self-Insurance Reserve is maintained within the General Fund.

Unexpended appropriations related to capital projects and grant programs from Fiscal Year 2015-16, as well as certain operating budget items, will be carried over to the Fiscal Year 2016-17 budget.

Information on committed and assigned General Fund reserves is located on page 97 (Budget Summary by Fund) and in Appendix B.

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - General Fund**

Line Item	Fiscal Year 2015-16			Fiscal Year 2016-17		
	Adopted	Amended	Proposed	Adopted	Amended	Proposed
<b>City Council</b>						
<u>General Expenses</u>						
Mileage and Parking	500	500	500			
Travel, Conferences, and Meetings	9,885	9,885	5,952			
<u>City Council Contingency</u>						
City Council Contingency	50,000	0	50,000			
<u>Compensation</u>						
Monthly Compensation	14,400	14,400	14,400			
Payroll Taxes	0	0	0			
<b>TOTAL</b>	<b>74,785</b>	<b>24,785</b>	<b>70,852</b>			

<b>General Government</b>						
<u>General Expenses</u>						
Community Outreach	4,750	4,750	2,500			
Insurance	40,241	40,241	82,710			
Legal Services	153,900	153,900	153,900			
Meeting Accessibility Services	5,865	5,865	5,508			
Memberships and Dues	17,967	17,967	15,339			
Mileage and Parking	1,696	1,696	1,000			
Office Equipment & Maintenance	13,168	9,318	12,456			
Office Supplies & Activities	9,750	9,750	9,750			
Postage	3,500	3,500	3,500			
Printing	3,750	3,750	1,000			
Public Notices	3,500	6,500	6,500			
Travel, Conferences, and Meetings	6,274	6,274	7,775			
Other Projects and Services	25,950	22,950	8,600			
Non-Operating	60,511	60,511	0			
<u>Election Expenses</u>						
City Council Election	0	0	25,000			

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - General Fund**

Line Item	Fiscal Year 2015-16		Fiscal Year 2016-17	
	Adopted	Amended	Adopted	Proposed
<u>City Hall Expenses</u>				
Janitorial Services, City Hall	8,900	8,900		10,590
Maintenance, City Hall	29,236	79,236		33,124
Non-Operating, Maintenance 2nd Floor	0	150,000		0
Telephones, City Hall	12,509	13,509		16,794
Utilities, Electric, City Hall	23,579	25,779		20,342
Utilities, Gas, City Hall	420	1,070		501
Utilities, Water, City Hall	1,920	1,920		1,539
<u>Compensation &amp; Benefits</u>				
Salaries, Full-time	266,656	263,756		181,681
Salaries, Part-time	0	0		39,886
Fringe Benefits	30,000	30,000		12,000
Supplemental Allowances	3,708	3,708		2,754
Payroll Taxes	17,510	17,510		13,498
Non-Operating	0	0		60,000
Retirement (Employer Contribution)	28,460	28,460		20,940
Benefit Administration	1,335	1,335		1,858
Long-term Disability	344	594		351
Retiree Medical (Employer Contribution)	3,061	3,061		3,783
<b>TOTAL</b>	<b>778,460</b>	<b>975,810</b>		<b>755,179</b>
<u>Administrative Services</u>				
<u>General Expenses</u>				
Audit Services	22,000	22,000		20,700
Information Technology Services	16,376	19,476		17,739
Telephones, City Hall	0	0		0
Finance and Payroll Services	78,852	78,852		95,693
Non-Operating	82,329	82,329		0
Merchant Payment Services	5,000	1,900		0
Records Management Services	1,660	2,871		11,660
Website Services	4,300	4,300		2,900

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - General Fund**

Line Item	Fiscal Year 2015-16	Fiscal Year 2015-16	Fiscal Year 2016-17
	Adopted	Amended	Proposed
Non-Operating	0	7,500	0
Other Projects & Services	7,500	6,289	3,500
<u>Compensation &amp; Benefits</u>			
Salaries, Full-time	396,993	395,243	402,104
Salaries, Part-time	0	0	15,912
Fringe Benefits	60,000	60,000	60,000
Payroll Taxes	29,209	29,209	30,817
Retirement (Employer Contribution)	39,422	40,922	44,103
Long-term Disability	3,647	3,897	3,707
<b>TOTAL</b>	<b>747,288</b>	<b>754,788</b>	<b>708,835</b>

**Community Services**

<u>General Expenses</u>			
Channel 31 Programming	3,057	3,057	3,057
Community Recreation Events	1,045	1,045	950
<u>Community Services Grant Program</u>			
Community Grants	0	87,500	0
<u>Senior Mobility Program</u>			
Postage (Senior Mobility)	0	0	0
Printing (Senior Mobility)	0	0	0
<u>Civic Support Fund</u>			
Civic Support Fund Establishment	0	0	5,000
<u>Compensation &amp; Benefits</u>			
Salaries, Full-time	3,591	3,591	3,378
Community Events	236	236	258
Payroll Taxes	236	236	258
Community Events	236	236	258
Retirement (Employer Contribution)	236	236	225
Community Events	236	236	225
<b>TOTAL</b>	<b>8,165</b>	<b>95,665</b>	<b>12,868</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - General Fund**

<u>Line Item</u>	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2016-17</u>
	<u>Adopted</u>	<u>Amended</u>	<u>Proposed</u>
<b>Engineering &amp; Infrastructure Services</b>			
<u>General Expenses</u>			
Engineering Services	5,000	5,000	7,500
Non-Operating	0	0	0
Landscaping Services	45,936	45,936	60,131
Landscaping Services, M2 Maintenance of Effort	83,501	83,501	84,173
Maintenance, Catch Basins	8,500	8,500	2,800
<u>Utilities</u>			
Utilities, Street Lights, Residential	33,960	33,960	33,696
<u>Compensation &amp; Benefits</u>			
Salaries, Full-time	34,307	34,247	36,380
Fringe Benefits	3,000	3,000	12,000
Payroll Taxes	2,334	2,334	5,566
Retirement (Employer Contribution)	3,834	3,834	4,838
Long-term Disability	257	317	897
<b>TOTAL</b>	<b>220,629</b>	<b>220,629</b>	<b>247,981</b>
<b>Planning &amp; Environmental Services</b>			
<u>General Expenses</u>			
Building Services	430,950	430,950	526,900
Building Services, Printing	3,600	3,600	1,800
Building Services, Publications	1,000	1,000	1,000
Code Enforcement Services	31,428	31,428	40,592
Community Waste Events and Collections	89,250	89,250	53,550
Planning Services	7,500	7,500	15,000
Non-Operating	353,920	389,010	0
Waste Management Services	45,000	45,000	35,000
Water Quality Services	91,813	91,813	99,677

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - General Fund**

Line Item	Fiscal Year 2015-16		Fiscal Year 2016-17
	Adopted	Amended	Proposed
<u>Compensation &amp; Benefits</u>			
Salaries, Full-time	102,921	102,921	88,712
Community Events	3,404	3,404	5,320
Fringe Benefits	9,000	10,000	12,000
Payroll Taxes	7,003	7,003	6,786
Community Events	248	248	407
Retirement (Employer Contribution)	11,501	13,001	8,406
Community Events	224	224	504
Long-term Disability	771	921	897
<b>TOTAL</b>	<b>1,189,533</b>	<b>1,227,273</b>	<b>896,551</b>

<u>Public Safety Services</u>			
<u>General Services</u>			
Animal Services	100,875	107,375	105,516
Law Enforcement Services	2,308,375	2,301,875	2,508,685
Non-Operating	97,689	127,689	7,743
Other Public Safety Services	15,826	15,826	2,046
<b>TOTAL</b>	<b>2,522,765</b>	<b>2,552,765</b>	<b>2,623,990</b>

<u>Inter-Fund Transfers</u>			
<u>Inter-Fund Transfers</u>			
Transfer to Capital Projects	52,250	62,780	90,300
Transfer to Senior Mobility	0	0	0
<b>TOTAL</b>	<b>52,250</b>	<b>62,780</b>	<b>90,300</b>
Operating Expenditures	5,127,194	5,034,676	5,248,513
<b>TOTAL</b>	<b>5,127,194</b>	<b>5,034,676</b>	<b>5,248,513</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - General Fund**

Line Item	Fiscal Year 2015-16	Fiscal Year 2015-16	Fiscal Year 2016-17
	Adopted	Amended	Proposed
Non-Operating Expenditures Subtotal	594,449	817,039	67,743
Transfer to Capital Projects Subtotal	52,250	62,780	90,300
Transfer to Senior Mobility Subtotal	0	0	0
<b>TOTAL</b>	<b>646,699</b>	<b>879,819</b>	<b>158,043</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>5,593,875</b>	<b>5,914,495</b>	<b>5,406,555</b>

<u>Fiscal Year 2016-17 Non-Operating Detail</u>			
GENERAL GOVERNMENT			
Payroll Tax Reconciliations			60,000
PUBLIC SAFETY SERVICES			
800 MHz Next Generation Project			7,743
<b>TOTAL</b>			<b>67,743</b>

<u>Fiscal Year 2016-17 Transfer to Capital Projects Detail</u>			
El Toro Road Traffic Signal Synchronization Project			285,400
Moulton Parkway Traffic Signal Synchronization Project			242,600
City Hall Restroom Repair and Improvement Project (Design)			30,000
Pavement Management Plan Project, Pedestrian Accessibility			7,500
<b>TOTAL</b>			<b>90,300</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - General Fund**

<u>Line Item</u>	<u>Fiscal Year 2015-16</u> <u>Adopted</u>	<u>Fiscal Year 2015-16</u> <u>Amended</u>	<u>Fiscal Year 2016-17</u> <u>Proposed</u>
<i>Fiscal Year 2016-17 Carryovers from Fiscal Year 2015-16 (Anticipated)</i>			
Financial Software Replacement		Unexpended balance at year-end	
Commercial Zoning Code Uses and Parking Standards Update		Unexpended balance at year-end	
General Plan Conservation Element Update		Unexpended balance at year-end	
General Plan Comprehensive Update		Unexpended balance at year-end	
Dairy Fork Constructed Wetland Project		Unexpended balance at year-end	
El Toro Road Traffic Signal Synchronization Project		Unexpended balance at year-end	
Moulton Parkway Traffic Signal Synchronization Project		Unexpended balance at year-end	
Medical Marijuana Dispensary Studies		Unexpended balance at year end	

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - Special Funds and Capital Projects Fund**

	2015-16		2016-17	
	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget

**TRANSPORTATION FUNDS**

	2015-16	2016-17	% Change
<b>Fuel Tax</b>			
Street Lighting - Public ROW	16,500	39,900	146.7%
Direct Administrative Costs	-	-	100.0%
Contract - Landscaping	134,600	183,998	77.2%
Contract - Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla dn Paseo de Valencial)	-	-	100.0%
Contract - Street Maintenance	128,500	97,386	-44.7%
Contract - Street Sweeping	42,900	42,900	-100.0%
<b>TOTAL</b>	<b>322,500</b>	<b>364,184</b>	<b>55.1%</b>

	2015-16	2016-17	% Change
<b>Measure M1</b>			
Moulton Pkwy Widening	-	-	0.0%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

	2015-16	2016-17	% Change
<b>Measure M2</b>			
El Toro Road Traffic Signal Synchronization Project	515,080	39,383	-100.0%
Moulton Parkway Traffic Signal Synchronization Project	689,500	42,910	-100.0%
Street Lighting - Public ROW	16,500	24,832	53.5%
Contract - Traffic Engineering	142,500	162,841	16.2%
Contract - Traffic Signal Maint.	42,000	40,879	-1.2%
Allowable Overhead Costs	-	600	100.0%
<b>TOTAL</b>	<b>1,405,580</b>	<b>311,445</b>	<b>-83.4%</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - Special Funds and Capital Projects Fund**

	2015-16		2016-17		
	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget	
<b>Prop 1B - State-Local Partnership Program (SLPP)</b>					
TOTAL	-	-	-	0.0%	0.0%
<b>Traffic Mitigation Fees - Moulton Parkway Project</b>					
Santa Maria Avenue Bioswale Project	43,500	43,500	-	-100.0%	-100.0%
<b>TOTAL</b>	<b>43,500</b>	<b>43,500</b>	<b>-</b>	<b>-100.0%</b>	<b>-100.0%</b>
<b>Federal Transportation Enhancement (TE)</b>					
Program Activities	-	-	-	0.0%	0.0%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Coastal Area Road Improvement and Traffic Signals (CARIS)</b>					
El Toro Road Traffic Signal Synchronization Project	83,020	-	-	-100.0%	0.0%
Moulton Parkway Traffic Signal Synchronization Project	65,680	-	-	-100.0%	0.0%
<b>TOTAL</b>	<b>148,700</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>
<b>PUBLIC SAFETY FUNDS</b>					
<b>Service Authority for Abandoned Vehicles</b>					
Contract - Other	-	-	-	0.0%	0.0%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Supplemental Law Enforcement Services</b>					
Law Enforcement Services	100,000	112,580	108,000	8.0%	-4.1%
<b>TOTAL</b>	<b>100,000</b>	<b>112,580</b>	<b>108,000</b>	<b>8.0%</b>	<b>-4.1%</b>

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - Special Funds and Capital Projects Fund**

	2015-16		2016-17				
	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget			% Change From 2015-16 Projection
<b>Disaster Recovery Initiative (DRI) Grant</b>							
Grant Activities	-	-	-	0.0%	0.0%		
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Points of Dispensing Activities</b>							
Grant Activities	-	-	-	0.0%	0.0%		
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>ENVIRONMENTAL FUNDS</b>							
<b>Mobile Source Reduction</b>							
Grant Activities	-	-	-	0.0%	0.0%		
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Proposition 84 Grant</b>							
Grant Activities	-	-	-	0.0%	0.0%		
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Beverage Container Recycling</b>							
Contract - Solid Waste	5,000	4,798	5,000	0.0%	4.2%		
<b>TOTAL</b>	<b>5,000</b>	<b>4,798</b>	<b>5,000</b>	<b>0.0%</b>	<b>4.2%</b>		
<b>Used Oil/Oil Payment Program</b>							
Contract - Solid Waste	5,000	5,308	5,310	6.2%	0.0%		
<b>TOTAL</b>	<b>5,000</b>	<b>5,308</b>	<b>5,310</b>	<b>6.2%</b>	<b>0.0%</b>		
<b>Energy Efficiency Conservation</b>							
Grant Activities	-	-	-	0.0%	0.0%		
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>		

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - Special Funds and Capital Projects Fund**

	2015-16		2016-17		% Change From 2015-16 Budget	% Change From 2015-16 Projection
	Amended Budget	Current Projection for Year	Budget Estimate for Year	From 2015-16 Budget		

<b>CalRecycle Grants</b>						
Administrative Costs	2,500	-	-	-	-100.0%	0.0%
Collection/Contract-Solid Waste	26,000	-	-	-	-100.0%	0.0%
Education	17,500	-	-	-	-100.0%	0.0%
<b>TOTAL</b>	<b>46,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>

<b>OC Recycling Grants</b>						
Grant Activities	-	-	-	-	0.0%	0.0%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>

**COMMUNITY SERVICES FUNDS**

<b>PEG/Cable Television</b>						
Equipment & Maintenance	13,400	-	12,000	-	-10.4%	100.0%
<b>TOTAL</b>	<b>13,400</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	<b>-10.4%</b>	<b>100.0%</b>

<b>Senior Mobility</b>						
Printing	3,680	4,020	4,100	11.4%	2.0%	
Contract - Transportation	156,320	163,500	173,310	10.9%	6.0%	
Contract - Taxi Voucher NEMT	60,000	59,130	62,678	4.5%	6.0%	
<b>TOTAL</b>	<b>220,000</b>	<b>226,650</b>	<b>240,088</b>	<b>9.1%</b>	<b>5.9%</b>	

<b>Community Development Block Grant (CDBG)</b>						
CDBG Residential Energy Improvement	133,165	110,034	135,000	1.4%	22.7%	
<b>TOTAL</b>	<b>133,165</b>	<b>110,034</b>	<b>135,000</b>	<b>1.4%</b>	<b>22.7%</b>	

<b>TOTAL SPECIAL FUNDS</b>	<b>2,442,845</b>	<b>1,178,497</b>	<b>1,238,633</b>	<b>-49.3%</b>	<b>5.1%</b>
----------------------------	------------------	------------------	------------------	---------------	-------------

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Expenditures Detail - Special Funds and Capital Projects Fund**

	2015-16		2016-17	
	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2015-16 Budget

**CAPITAL PROJECTS FUND**

	2015-16	2016-17	% Change From 2015-16 Budget	% Change From 2015-16 Projection
<b>Capital Projects</b>				
City Hall Bollard Replacement Project	34,311	28,800	-100.0%	-100.0%
Dairy Fork Constructed Wetland Project	43,093	26,618	-100.0%	-100.0%
El Toro Road Traffic Synchronization Project	-	-	100.0%	100.0%
Moulton Parkway Traffic Synchronization Project	-	-	100.0%	100.0%
Pavement Management Plan, Pedestrian Accessibility	-	7,500	100.0%	100.0%
City Hall Restroom Repair and Improvement Plan	-	30,000	100.0%	100.0%
Moulton Parkway Water Efficient Median Project	52,250	43,255	-100.0%	-100.0%
Santa Maria Avenue Bioswale Project	-	380	0.0%	0.0%
Inter-Fund Transfer to General Fund	1,043,009	1,043,009	-100.0%	-100.0%
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>1,172,663</b>	<b>1,142,062</b>	<b>-88.3%</b>	<b>-88.0%</b>
<b>TOTAL ALL EXPENDITURES</b>	<b>3,615,508</b>	<b>2,320,559</b>	<b>-61.9%</b>	<b>-40.7%</b>
Less: INTER-FUND TRANSFERS	1,043,009	1,043,009	-100.0%	-100.0%
<b>TOTAL NET EXPENDITURES</b>	<b>2,572,499</b>	<b>1,277,550</b>	<b>-46.5%</b>	<b>7.7%</b>

Unexpended balances of capital projects and grant programs from Fiscal Year 2015-16, as well as certain operating budget items, will be carried over to Fiscal Year 2016-17.

**CITY OF LAGUNA WOODS  
Fiscal Year 2016-17 Budget Summary By Fund**

Fund	7/1/2016			Estimated Revenues	Proposed Expenditures	Changes to Reserves	Net Change in Fund Balance	6/30/2017	
	Estimated Opening Fund Balance	Estimated Revenues	Proposed Expenditures					Projected Ending Fund Balance	Projected Ending Fund Balance
<u>General Fund</u>									
General Fund - Unassigned	9,159,691	5,261,000	5,406,555	(2,019,974)	(2,165,529)	\$	6,994,162		
Nonspendable:									
Prepays	-	-	-	-	-				
Restricted for:									
Public Safety (Seatbelt Safety)	-	-	-	-	-				
Public Safety (Emergency Mgmt.)	-	-	-	-	-				
Assigned for:									
Paid Leave Contingency Fund	110,526	-	-	(30,718)	(30,718)		79,808		
Self Insurance Contingency Fund	500,000	-	-	(450,000)	(450,000)		50,000		
General Fund Contingency Fund	-	-	-	2,500,692	2,500,692		2,500,692		
<b>TOTAL</b>	<b>9,770,217</b>	<b>5,261,000</b>	<b>5,406,555</b>	<b>-</b>	<b>(145,555)</b>	<b>-</b>	<b>9,624,662</b>		
<u>Special Funds:</u>									
<u>Transportation Funds:</u>									
Fuel Tax	605,959	350,000	500,201	-	(150,201)		455,759		
Measure M 1	(179,925)	-	-	-	-		(179,925)		
Measure M 2	(109,727)	218,000	233,034	-	(15,034)		(124,711)		
Prop 1B - State-Local Partnership Program	-	-	-	-	-		-		
Traffic Mitigation Fees	436,546	-	-	-	-		436,546		
Federal Transportation Enhancement (TE)	-	-	-	-	-		-		
CARITS	1,525	-	-	-	-		1,525		
<b>TOTAL</b>	<b>754,378</b>	<b>568,000</b>	<b>733,235</b>	<b>-</b>	<b>(165,235)</b>	<b>-</b>	<b>589,143</b>		
<u>Public Safety Funds:</u>									
Srv. Authority for Abandoned Vehicles	35,107	-	-	-	-		35,107		
Supplemental Law Enforcement	19	108,000	108,000	-	-		19		
Disaster Recovery Initiative	-	-	-	-	-		-		
Point of Dispensing Activities	-	-	-	-	-		-		
<b>TOTAL</b>	<b>35,126</b>	<b>108,000</b>	<b>108,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,126</b>		
<u>Environmental Funds:</u>									
Mobile Source Reduction	114,051	21,000	-	-	21,000		135,051		
Proposition 84 Grant	(15,733)	-	-	-	-		(15,733)		
Beverage Container Recycling	22,591	5,000	5,000	-	-		22,591		
Used Oil/Oil Payment Program	16,584	5,000	5,310	-	(310)		16,274		

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Budget Summary By Fund**

Fund	7/1/2016		6/30/2017		Net Change in Fund Balance	Projected Ending Fund Balance
	Estimated Opening Fund Balance	Estimated Revenues	Proposed Expenditures	Changes to Reserves		
CallRecycle & Energy Efficiency Grants						
OC Recycling Grant	30,724	-	-	-	-	30,724
<b>TOTAL</b>	<b>168,216</b>	<b>31,000</b>	<b>10,310</b>	<b>-</b>	<b>20,690</b>	<b>188,906</b>
Community Services Funds:						
PEG/Cable Television	56,694	13,700	12,000	-	1,700	58,394
Senior Mobility Program	24,273	225,000	240,088	-	(15,088)	9,185
CDBG Program	(3,634)	135,000	135,000	-	-	(3,634)
<b>TOTAL</b>	<b>77,333</b>	<b>373,700</b>	<b>387,088</b>	<b>-</b>	<b>(13,389)</b>	<b>63,945</b>
Capital Projects Fund						
Capital Projects	72,801	137,240	137,240	-	-	72,801
<b>TOTAL</b>	<b>72,801</b>	<b>137,240</b>	<b>137,240</b>	<b>-</b>	<b>-</b>	<b>72,801</b>
<b>CUMULATIVE TOTAL</b>	<b>\$ 10,878,071</b>	<b>\$ 6,478,940</b>	<b>\$ 6,782,428</b>	<b>\$ -</b>	<b>\$ (303,488)</b>	<b>\$ 10,574,583</b>

Unspent revenues and unexpended appropriations related to capital projects and grant programs from Fiscal Year 2015-16, as well as certain operating budget items, will be carried over to the Fiscal Year 2016-17 budget. Fund balance has been adjusted for these estimated carryovers.

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Capital Improvement Program - Funding Status**

Project Title	Estimated Project Cost	Funded					Proposed FY 16-17	Total Funded	Remaining Amount Unfunded
		Fiscal Years	FY 13-14	FY 14-15	FY 15-16	FY 16-17			
Dairy Fork Constructed Wetland Project	\$ 59,956	-	-	-	59,956	-	\$ 59,956	-	
El Toro Road Traffic Signal Synchronization Project	\$ 642,500	-	-	720	611,800	29,980	\$ 642,500	-	
Moulton Parkway Traffic Signal Synchronization Project	\$ 808,050	-	-	1,440	736,850	69,760	\$ 808,050	-	
Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia)	\$ 150,000	-	-	-	-	150,000	\$ 150,000	-	
Pavement Management Plan Project, Pedestrian Accessibility	\$ 7,500	-	-	-	-	7,500	\$ 7,500	-	
City Hall Restroom Repair and Improvement Project (Design)	\$ 30,000	-	-	-	-	30,000	\$ 30,000	-	
City Centre Park Lighting Improvement Project	\$ 115,000	-	-	-	-	-	\$ 115,000	-	
El Toro Road Water Efficient Median Improvement Project	\$ 295,550	-	-	-	-	-	\$ 295,550	-	
Moulton Parkway Water Efficient Median Improvement Project	\$ 352,176	-	-	-	52,250	-	\$ 52,250	\$ 299,926	
Santa Maria Avenue Water Efficient Median Improvement Project	\$ 418,485	-	-	-	-	-	\$ 418,485	-	
Pavement Management Plan Projects (Between Fiscal Years 2017-18 and 2021-22)	\$ 375,000	-	-	-	-	-	-	\$ 375,000	
Pavement Management Plan Project, Pedestrian Accessibility	\$ 18,750	-	-	-	-	-	\$ 18,750	-	
<b>TOTAL</b>	<b>\$ 3,272,967</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,160</b>	<b>\$ 1,460,856</b>	<b>\$ 287,240</b>	<b>\$ 1,750,256</b>	<b>\$ 1,522,711</b>	

**CITY OF LAGUNA WOODS**  
**Fiscal Year 2016-17 Capital Improvement Program - Funding Status**

Project Title	Amount Funded	FUNDING SOURCE					
		General Fund	Fuel Tax	Measure M2	Traffic Mitigation Fees	CARITS	Other Agencies
Dairy Fork Constructed Wetland Project	\$ 59,956	59,956					
El Toro Road Traffic Signal Synchronization Project	\$ 642,500	33,580		514,000		\$ 83,020	\$ 11,900
Moulton Parkway Traffic Signal Synchronization Project	\$ 808,050	30,380		645,440		\$ 65,680	\$ 66,550
Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia)	\$ 150,000		\$ 150,000				
Pavement Management Plan Project, Pedestrian Accessibility	\$ 7,500	7,500					
City Hall Restroom Repair and Improvement Project, Design	\$ 30,000	30,000					
Moulton Parkway Water Efficient Median Improvement Project	\$ 52,250	52,250					
<b>TOTAL</b>	<b>\$ 1,750,256</b>	<b>\$ 213,666</b>	<b>\$ 150,000</b>	<b>\$ 1,159,440</b>	<b>\$ -</b>	<b>\$ 148,700</b>	<b>\$ 78,450</b>

**CITY OF LAGUNA WOODS  
Capital Improvement Program - Potential Seven-Year Phasing  
Fiscal Years 2016-17 - 2022-23**

Project Title	Project Cost	Prior Fiscal Years	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
Dairy Fork Constructed Wetland Project	\$ 59,956	\$ 59,956	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
El Toro Road Traffic Signal Synchronization Project*	\$ 642,500	\$ 607,120	\$ 29,980	\$ 3,600	\$ 1,800	\$ -	\$ -	\$ -	\$ -
Moulton Parkway Traffic Signal Synchronization Project*	\$ 808,050	\$ 732,170	\$ 69,760	\$ 4,080	\$ 2,040	\$ -	\$ -	\$ -	\$ -
Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia)	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pavement Management Plan Project, Pedestrian Accessibility	\$ 7,500	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Hall Restroom Repair and Improvement Project (Design)	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Centre Park Lighting Improvement Project	\$ 115,000	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -
El Toro Road Water Efficient Median Improvement Project	\$ 295,550	\$ -	\$ -	\$ -	\$ 295,550	\$ -	\$ -	\$ -	\$ -
Moulton Parkway Water Efficient Median Improvement	\$ 352,176	\$ 52,250	\$ -	\$ -	\$ -	\$ 299,926	\$ -	\$ -	\$ -
Santa Maria Water Efficient Median Improvement Project	\$ 418,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,920	\$ 371,565
Pavement Management Plan Projects (Between Fiscal Years 2017-18 and 2021-22)	\$ 375,000	\$ -	\$ -	\$ 150,000	\$ 210,000	\$ -	\$ -	\$ 15,000	\$ -
Pavement Management Plan Project, Pedestrian Accessibility	\$ 18,750	\$ -	\$ -	\$ 7,500	\$ 10,500	\$ -	\$ -	\$ 750	\$ -
<b>TOTAL \$</b>	<b>3,272,967</b>	<b>1,451,496</b>	<b>287,240</b>	<b>280,180</b>	<b>519,890</b>	<b>299,926</b>	<b>-</b>	<b>62,670</b>	<b>371,565</b>

\* Project costs include cash, in-kind, and operations and maintenance expenses from both the City and all involved agencies.  
Note: This table complies with Orange County Transportation Authority requirements.

*This page is intentionally blank.*

# APPENDIX A

Administrative Policy 2.9 (Budgeting, Reserves, and Reporting)

*This page is intentionally blank.*

**CITY OF LAGUNA WOODS  
ADMINISTRATIVE POLICY 2.9**

**BUDGETING, RESERVES, AND REPORTING**

**2.9.01. Statement of Purpose.**

This Administrative Policy is intended to provide a framework for the development of the City of Laguna Woods' budget, with an emphasis on balance, transparency, fiscal responsibility, and long-term planning.

**2.9.02. Budget Periods.**

The City operates on a fiscal year beginning on July 1 and ending on the following June 30. The City Manager shall present a proposed fiscal year budget to the City Council no later than June 30 of each immediately preceding fiscal year.

To implement a longer-term strategic vision and provide greater certainty regarding the sustainability of the City's operations, the City Manager shall present a proposed biennial fiscal year budget to the City Council for the upcoming two fiscal years no later than June 30, 2017.

**2.9.03. Budget Adoption.**

The City Council shall adopt a budget for the upcoming fiscal year no later than June 30 of each immediately preceding fiscal year. Such adoption shall occur at a public meeting duly noticed pursuant to all applicable provisions of California Government Code (Ralph M. Brown Act). Members of the public shall have an opportunity to comment on the proposed budget prior to adoption.

**2.9.04. Budget Standards.**

1. The budget and the underlying accounting shall be prepared in accordance with applicable State law and Generally Accepted Accounting Principles (GAAP) for municipal governments on a modified accrual basis.
2. The budget shall be adopted at the fund and department level. Sufficient detail shall be provided in accompanying narrative to describe significant programs, projects, and services, as well as employee staffing levels.

## APPENDIX A

3. The budget shall be developed using conservative projections of revenue and expenditure levels. Projections shall consider economic forecasts and data from multiple sources, including independent third-party analysis of the two largest sources of ongoing General Fund revenue – property tax and sales tax.
4. The budget development process is intended to weigh competing requests for City resources within anticipated fiscal constraints. Notwithstanding emergency needs and circumstances that may dictate otherwise, requests for new, ongoing programs made outside of the budget development process are discouraged.
5. Current fiscal year revenues should fund current fiscal year expenditures. Use of the unassigned General Fund balance should be limited to one-time projects, capital improvement projects, the payment of long-term liabilities for periods beyond the current fiscal year, and emergency expenditures.
6. Unless specifically restricted by law, GAAP, a funding source, or an agreement, revenues shall be deposited in the General Fund and allocated in accordance with this Administrative Policy. Restricted revenues shall be deposited and allocated as required, including in a manner that ensures that revenues are spent and/or obligated for eligible purposes within required timeframes.
7. Grant funds are often distributed on a reimbursement basis, meaning that the City is required to make expenditures in advance of receiving the offsetting revenue. The unassigned General Fund balance may be used to make temporary “loans” to grant-funded programs, projects, and services until reimbursements are received. Such temporary “loans” are not reflected in the budget.
8. In order to assist with the long-term development of funding for major capital improvement projects on public property, a seven-year Capital Improvement Program (CIP) for “major capital improvements projects” shall be adopted as a part of each budget. A “major capital improvement project” is any project that meets the definition of a “public project” in Section 22002 of the State of California’s Public Contracts Code, including “construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work” of facilities owned, leased, or operated by the City, as well as any non-minor “painting or repainting.” Maintenance is not considered a public project. A “major capital improvement project” also includes pavement management work included in the City’s seven-year Pavement Management Plan.

9. While the first year of the seven-year CIP is included in the budget, the City Council shall retain the ability to modify the CIP at its discretion and no funding commitment is created by the inclusion of unfunded projects or projects phased for future fiscal years.
10. With the exception of CIP project budgets, which shall be automatically carried over until the project is completed, carryover of budget appropriations between budget periods requires approval of the City Council.

#### **2.9.05. Budget Adjustments.**

During budget periods, circumstances may require adjustment of the appropriations established in the adopted budget. The City Manager is authorized to make budget adjustments within adopted fund-level appropriations, and may also reduce adopted fund-level appropriations, based on economic conditions or the needs of the City. Increases in adopted-fund level appropriations require City Council approval.

#### **2.9.06. Reserves and Fund Balance.**

Reserves are a key component of fiscal responsibility and financial resilience. They provide the City with options for responding to unanticipated events and risk.

Reserves are set aside as a part of fund balance. The term “fund balance” is used to describe the net position of the General Fund and other governmental funds. There are five categories of fund balance recognized by the Governmental Accounting Standards Board (GASB): *nonspendable, restricted, committed, assigned, and unassigned*. The committed, assigned, and unassigned categories are collectively known as “unrestricted fund balance.” Unrestricted fund balance may be considered the financial resources that are available, or are capable of being made available, for periodic, unanticipated and, emergency needs, without limitation.

Annually, the City shall evaluate current and future risk and funding requirements that may impact reserve levels and requirements. After considering best practices established by the Government Finance Officers Association (GFOA) and other authoritative agencies, the City shall establish an overall target for committed and assigned reserves and individual targets by reserve category. Beginning no later than June 30, 2017, reserve policies, targets, and funding levels shall be evaluated as a part of a long-term strategic financial planning process and adjusted, as necessary, as a part of annual budget development processes.

The time and method for replenishment of reserves shall be defined at the time of reserve usage, based on the category of reserve, reason required, amount used, and other relevant factors. Typically, replenishment of reserve balances should occur within one to three years of use. Funds for replenishment may be drawn from one-time revenues, excess revenues, year-end surpluses, reductions in appropriations, or other means deemed appropriate at the time reserve funds are used. A long-term perspective shall be considered when evaluating methods for replenishment.

### Overall Target for Committed and Assigned Reserves

Based on risk assessment and long-term projection of potential reserve needs, the overall target for committed and assigned reserves shall be established in an amount equal to 50% of the adopted General Fund revenue budget at the beginning of each fiscal year (July 1), less any one-time revenues and non-operating revenues. Although annual revenues may fluctuate, they have historically been more stable than annual appropriations, allowing for greater consistency in committed and assigned reserve calculations year-over-year. The fund balance equal to the overall target for committed and assigned reserves shall be allocated first to other committed and assigned reserves and then to the General Fund Contingency Fund.

### Committed and Assigned Reserves

#### *Paid Leave Contingency Fund*

The City shall maintain a Paid Leave Contingency Fund with an annual target equal to projected accrued paid leave balances at the end of each fiscal year (June 30), in accordance with the City's paid leave policies and obligations. An estimate of the annual target shall be adopted as a part of the City's budget and finalized by City Council action after fiscal-year-end calculations are available. The City Manager is authorized to make expenditures from the Paid Leave Contingency Fund in amounts necessary to comply with the City's paid leave policies and obligations, when such amounts exceed adopted budgets (e.g., the payment of accrued paid leave upon the retirement or resignation of an employee). The City Manager shall notify the City Council of all expenditures made from the Paid Leave Contingency Fund as a part of the budget reporting described in Section 2.9.07.

#### *Self-Insurance Contingency Fund*

The City shall maintain a Self-Insurance Contingency Fund for liability and workers' compensation claim settlements not covered by insurance policies. In developing the

annual target for this reserve, the City shall consider its five-year claims settlement history, the status of any pending claims, and any reasonably anticipated future claims activity. The City Manager is authorized to make expenditures from the Self-Insurance Contingency Fund of up to \$50,000 per individual claim settlement. The City Manager shall notify the City Council of all expenditures made from the Self-Insurance Contingency Fund as a part of the budget reporting described in Section 2.9.07. Expenditures from the Self-Insurance Contingency Fund in excess of \$50,000 per claim settlement require approval of the City Council.

### *General Fund Contingency Fund*

The City shall maintain a General Fund Contingency Fund for economic uncertainty, operating contingencies, and emergencies caused by calamitous events. This reserve shall be established, annually, in an amount not less than the current overall target for total reserves less the amounts set aside for other reserves. Expenditures from the General Fund Contingency Fund require City Council approval.

### Unassigned General Fund Balance

In addition to committed and assigned reserves, unassigned General Fund balance is available for any governmental purpose and can be appropriated upon direction from the City Council. Use of the unassigned General Fund balance should be limited to one-time projects, capital improvement projects, the payment of long-term liabilities for periods beyond the current fiscal year, and emergency expenditures.

### **2.9.07. Other Post-Employment Benefits Trust Fund.**

The City shall maintain an irrevocable Other-Post Employment Benefits (OPEB) Trust Fund to prefund OPEB through the California Public Employees' Retirement System (CalPERS) in an amount not less than 80% of the unfunded OPEB liability calculated on the frequency that CalPERS requires actuarial valuations of OPEB liability for participation in its California Employers' Retiree Benefit Trust Fund. The OPEB Trust Fund is held by a trustee and amounts set aside for funding are calculated independent of all other reserve and contingency funds. Contributions to the OPEB Trust Fund require approval of the City Council. Expenditures from the OPEB Trust Fund shall be made in a manner approved by the City Council.

**2.9.08. Reporting.**

1. The City Treasurer shall prepare and submit a Comprehensive Annual Financial Report, which shall also include an independent audit performed by a certified public accounting firm, to the City Council within eight months of the end of each fiscal year. The City shall strive for an unqualified opinion and submission to the City Council within six months of the end of each fiscal year.
2. The City Treasurer shall prepare and submit a quarterly budget report to the City Council within 60 days of the end of each quarter. The report shall include actual year-to-date revenues and expenditures by fund, as well as any change in projections that are likely to result in the receipt of any ongoing revenue in an amount 10% or lower than the amount budgeted.
3. The City Treasurer shall prepare and submit a monthly investment report to the City Council within 30 days of the end of each month. The report shall include the information specified in Section 2.2.17 of Administrative Policy 2.2.
4. The City Council may request additional or supplemental budget, investment, or financial reports at any time by providing direction to the City Manager.

**2.9.09. Relationship to Federal and State Laws.**

Where federal or state laws are more restrictive than or contradict this Administrative Policy, such laws shall take precedence. Where this Administrative Policy is more restrictive than federal or state laws, this Administrative Policy shall take precedence. The City Treasurer shall advise the City Council of any contradictions of federal or state law for consideration during each budget development process.

---

City Council Approval: June 15, 2016

# **APPENDIX B**

Resolution No. 16-XX (Budget and Work Plan Adoption)

*This page is intentionally blank.*

# APPENDIX C

Resolution No. 16-XX (Capital Improvement Program Adoption)

*This page is intentionally blank.*

# APPENDIX D

Resolution No. 16-XX (Annual Appropriations Limit Adoption)

*This page is intentionally blank.*

# APPENDIX E

Glossary of Terms and Acronyms

*This page is intentionally blank.*

# APPENDIX E

---

*Appendix E is intended to define significant terms and acronyms used in this budget and work plan. Individuals with questions regarding these or other terms or acronyms are encouraged to contact the City's Administrative Services Department.*

## GLOSSARY OF TERMS AND ACRONYMS

AMERICANS WITH DISABILITIES ACT (ADA): The Americans with Disabilities Act is a Federal law that prohibits discrimination and ensures equal opportunity for individuals with disabilities in employment; State and local government services; public accommodations; commercial facilities; and, transportation.

APPROPRIATION: A legal authorization granted by the City Council to make expenditures or incur obligations for specified purposes.

ASSESSED VALUATION: The monetary value assigned to personal property by the Orange County Assessor's Office for use in levying property taxes.

BUDGET: A financial plan that identifies revenues; specific types and levels of services to be provided; and, associated expenditures.

CAPITAL IMPROVEMENT PROGRAM (CIP): A planning tool to assist the City with the long-term development of funding for major capital improvement projects on public property. The Capital Improvement Program is adopted for a seven-year period in accordance with Measure M2 requirements.

CAPITAL PROJECTS FUND: A fund used to account for transfers from the General Fund that are reserved for capital improvement purposes. The Capital Projects Fund is combined with the General Fund for the purpose of reporting in the Comprehensive Annual Financial Report (CAFR).

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): A set of annual financial statements comprising the financial report of a state, municipal, or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). The Comprehensive Annual Financial Report includes introductory, financial, and statistical information about the governmental entity.

DEPARTMENT: An organizational unit of the City that has direct management responsibility for a group of related programs and services.

EXPENDITURE: A decrease in net financial resources representing the actual payment for goods and services or the accrual thereof.

FEES: Charges levied by the City for providing programs or services.

FISCAL YEAR (FY): The annual period designated by the City for the beginning and ending of financial transactions. The City's fiscal year begins on July 1 of each year and ends on June 30 of each subsequent year.

FUEL TAX: A per gallon excise tax on fuel used to propel motor vehicles or aircraft pursuant to California Constitution Article XIX Section 1; Revenue and Tax Code sections 7301 – 8404 and 8601 – 9355; and, Streets and Highways Code sections 2100 et seq.

FULL-TIME EQUIVALENTS (FTE): The amount of time for which a position has been budgeted, stated in terms of the fraction of time that a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for 2,080 hours per year while a 0.25 FTE employee is paid for 520 hours per year (2,080 hours x 0.25 = 520).

FUND: A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose or funding source.

FUND BALANCE: The difference between assets and liabilities for a particular fund. Fund balance represents the amount available for future expenditures.

GENERAL FUND: The City's primary operating fund. The General Fund is used to account for the proceeds of specific revenue sources that are not legally restricted to expenditures for specified purposes.

GENERAL PLAN: A comprehensive, long-term planning document that the City is required to develop and maintain for the physical development of land within its boundaries and any relational land outside of its boundaries. The City's current General Plan is available at [www.cityoflagunawoods.org/](http://www.cityoflagunawoods.org/).

GRANT: Contributions, gifts of cash, or other assets from a government entity or other organization to be expended for a specific purpose.

INFRASTRUCTURE: The underlying physical foundation or basic framework of the City, including buildings, parks, roadways, parkways, medians, sidewalks, traffic signals, and other related facilities and fixtures.

INTER-FUND TRANSFERS: The flow of assets from one fund to another without an equivalent flow of assets in return or a requirement for repayment. Inter-fund transfers are often used to finance capital projects or support the operations of special funds.

MEASURE M2: A ballot measure that Orange County voters approved in 2006 to increase the countywide sales tax rate through 2041 by one-half cent for the purpose of funding transportation projects and activities.

MODIFIED ACCRUAL BASIS: The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations. (State of California, Department of Finance, *Finance Glossary of Accounting and Budgeting Terms*)

OPERATING BUDGET: A budget established for the “day-to-day” delivery of City programs and services. The Operating Budget is exclusive of limited-term expenditures, including capital improvement projects.

PRIORITY FOCUS AREAS: Priorities established by the City Council to articulate the goals and intended outcomes of the City’s budget. The Priority Focus Areas for Fiscal Year 2016-17 are: *A City that is... healthy and safe; high in quality of life; environmentally conscious; economically prosperous; fiscally responsible; and, professionally and efficiently served.*

PROPERTY TAX: An ad valorem tax imposed on personal property pursuant to California Constitution Article XIII and XIII A; Revenue and Tax Code sections 95 and 97. Property tax is collected by the County of Orange and distributed to the City throughout the fiscal year.

PROPERTY TAX IN LIEU OF SALES TAX: Under the California Economic Recovery Bond Act of 2004, from 2004 to Fiscal Year 2016-17, economic recovery bonds to close the State’s operating deficit were repaid from a 0.25% increase in the State sales tax rate and the City’s portion of sales tax imposed by the Bradley-

Burns Uniform Sales Tax Law was temporarily reduced by 0.25%. Cities were reimbursed for the reduced sales tax revenue with property tax transfers in lieu. That “Triple Flip” expired when the State’s economic recovery bonds were retired in 2016. At that point, sales tax reverted to being received by cities as it was prior to 2004.

PROPERTY TAX IN LIEU OF VEHICLE LICENSE FEES (VLF): Revenues resultant of a tax swap approved by the California State Legislature in 2004 that eliminated State General Fund payments to cities as compensation for revenue lost from vehicle license fee rate cuts and added property tax transfers in lieu.

PROPERTY TRANSFER TAX: A tax imposed on documents recorded in the transfer of ownership in real estate pursuant to Revenue and Tax Code sections 11901 – 11935. Property transfer tax is collected by the County of Orange at a rate of \$1.10 per \$1,000 of the assessed valuation of the real estate being transferred. The City and the County of Orange receive equal allocations of the property transfer taxes collected.

RESERVE: A separate account maintained to proactively set aside money for unforeseen and/or unusual expenditures.

REVENUE: Income received by the City.

SALES TAX: A tax imposed on the total retail price of any tangible personal property and the use or storage of such property when sales tax is not paid pursuant to California Constitution Article XIII sections 25.5(a)(2) and 29; Revenue and Tax Code sections 7200 et seq. The City currently receives 1% of the 8.5% sales tax charged within Laguna Woods (see Property Tax In Lieu of Sales Tax). The City also receives a share of the 0.5% sales tax levied by Measure M2 throughout Orange County, which is reported as Measure M2 revenue in this budget and the City’s annual financial statements.

SPECIAL FUNDS: Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes or reserved for capital improvement(s).

TRANSIENT OCCUPANCY TAX (TOT): A general tax imposed on occupants for the privilege of occupying hotel rooms pursuant to Revenue and Tax Code sections 7280 and 7281. The City’s Transient Occupancy Tax rate is 10% of the rent charged by hotel operators.

YEAR-END: The end of the City’s fiscal year (June 30).

**RESOLUTION NO. 16-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEAR 2016-17 BUDGET COMMENCING JULY 1, 2016 AND ENDING JUNE 30, 2017

**WHEREAS**, publicly noticed City Council meetings were held on April 27, 2016, May 18, 2016, and June 15, 2016 to discuss and provide direction to staff on the development of the Fiscal Year 2016-17 Budget & Work Plan and allow opportunities for public comment; and

**WHEREAS**, the City Manager presented the proposed Fiscal Year 2016-2016 Budget & Work Plan to the City Council on June 29, 2016.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** The Fiscal Year 2016-17 Budget & Work Plan for the City of Laguna Woods is hereby adopted to cover the period of July 1, 2016 through June 30, 2017.

**SECTION 2.** The budget appropriations authorized, on a fund level, are:

<i><u>FISCAL YEAR 2016-17</u></i>	
GENERAL FUND.....	\$ 5,406,555
CAPITAL PROJECTS FUND.....	\$ 137,240
COMMUNITY SERVICES FUNDS	
CDBG Program.....	\$ 135,000
PEG/Cable Television.....	\$ 12,000
Senior Mobility.....	\$ 240,088
ENVIRONMENTAL FUNDS	
Beverage Container Recycling.....	\$ 5,000
Used Oil/Oil Payment Program.....	\$ 5,310
PUBLIC SAFETY FUNDS	
Supplemental Law Enforcement Services.....	\$ 108,000
TRANSPORTATION FUNDS	
Fuel Tax.....	\$ 500,201
Measure M2.....	\$ 233,034
TOTAL	<u>\$ 6,782,428</u>

**SECTION 3.** The budget appropriations authorized, on a department level within the General Fund, are:

FISCAL YEAR 2016-17

CITY COUNCIL.....	\$ 70,852
GENERAL GOVERNMENT.....	\$ 755,178
ADMINISTRATIVE SERVICES.....	\$ 708,835
COMMUNITY SERVICES.....	\$ 12,868
ENGINEERING & INFRASTRUCTURE SERVICES.....	\$ 247,981
PLANNING & ENVIRONMENTAL SERVICES.....	\$ 896,551
PUBLIC SAFETY SERVICES.....	\$ 2,623,990
TRANSFERS TO OTHER FUNDS.....	\$ 90,300
TOTAL	\$ <u>5,406,555</u>

**SECTION 4.** The General Fund committed and assigned reserves authorized are:

FISCAL YEAR 2016-17

PAID LEAVE CONTINGENCY FUND.....	\$ 79,808
SELF-INSURANCE CONTINGENCY FUND.....	\$ 50,000
GENERAL FUND CONTINGENCY FUND.....	\$ <u>2,500,692</u>
TOTAL	\$ <u>2,630,500</u>

Committed and assigned reserves shall be maintained, administered, and expended in accordance with Administrative Policy 2.9.

**SECTION 5.** The authorized City personnel positions are:

FISCAL YEAR 2016-17 – Full-time

- (1) CITY MANAGER
- (1) ADMINISTRATIVE SERVICES DIRECTOR/CITY TREASURER
- (2) MANAGEMENT ANALYST or SENIOR MANAGEMENT ANALYST
- (1) DEPUTY CITY CLERK
- (1) SENIOR ACCOUNTANT
- (1) ADMINISTRATIVE COORDINATOR
- (1) ACCOUNTING CLERK
- TOTAL: 8 FULL-TIME EQUIVALENTS

FISCAL YEAR 2016-17 – Limited Part-time

- (0.45) CUSTOMER SERVICE REPRESENTATIVE

(0.45) MANAGEMENT ANALYST or SENIOR MANAGEMENT ANALYST  
TOTAL: 0.9 FULL-TIME EQUIVALENTS

**SECTION 6.** From the effective date of said budget, the total amount as stated therein for each departmental activity account in the operating budget shall be, and is, appropriated subject to expenditure pursuant to all applicable ordinances of the City of Laguna Woods and statutes of the State of California. The operating budget may be reallocated by the City Manager providing there is no change in the total appropriations within any fund as authorized by the City Council.

**SECTION 7.** The City Manager is authorized to transfer appropriations and make adjustments within and between departments in the same fund, provided that there are no increases in overall fund appropriations. Appropriations from unappropriated fund balances must be approved by the City Council.

**SECTION 8.** The City Manager may decrease revenue estimates to reflect economic change during the fiscal year and may reduce expenditure appropriations as a method of fiscal control.

**SECTION 9.** At the close of Fiscal Year 2015-16, all appropriations shall lapse, except that unexpended appropriations shall be encumbered as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for certain Fiscal Year 2015-16 General Fund budget items noted in the Fiscal Year 2016-17 Budget & Work Plan, as well as unexpended appropriations for capital improvements projects shall be carried over to Fiscal Year 2016-17.

**SECTION 10.** The City Council approves the City's membership in the following organizations: League of California Cities, Orange County Council of Governments, Orange County Local Agency Formation Commission, Southern California Association of Governments, and Southern California Water Committee.

**SECTION 11.** In accordance with Section 6(a)(i) of the City Manager's Employment Agreement, the City Council approves and authorizes \$1,400 for inclusion in the Fiscal Year 2016-17 budget for the City Manager's membership in the International City/County Management Association.

**SECTION 12.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2016.

\_\_\_\_\_  
NOEL HATCH, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 16-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2016, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

**RESOLUTION NO. 16-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A SEVEN-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2016-17 THROUGH 2022-23 IN CONFORMANCE WITH MEASURE M2 REQUIREMENTS

**WHEREAS**, the City of Laguna Woods seeks to maintain its eligibility to receive an apportionment of Measure M2 sales tax revenues that can be used to fund transportation-related projects and programs; and

**WHEREAS**, a prerequisite of such eligibility for the City of Laguna Woods is the annual filing of a Measure M2 eligibility package for review and approval by the Orange County Transportation Authority; and

**WHEREAS**, one component of the Measure M2 eligibility package is the preparation and adoption of a Seven-Year Capital Improvement Program (“CIP”) which includes, at a minimum, all projects and programs which are needed to meet and maintain adopted levels of service performance standards, in addition to all projects and programs proposed to receive Measure M2 funding; and

**WHEREAS**, the Fiscal Year 2016-17 expenditures identified in the CIP are consistent with the City of Laguna Woods’ adopted Fiscal Year 2016-17 Budget; and

**WHEREAS**, the CIP, for the purpose of Measure M2 eligibility, is recognized as a program and project finance and planning tool to assist local governments in the long-term development and funding of transportation-related programs and projects, and not a budget commitment; and

**WHEREAS**, the CIP is updated annually to include adjustments to funding and project schedules.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** The City of Laguna Woods Seven-Year Capital Improvement Program, attached hereto as Exhibit A and incorporated herein by reference, is adopted in conformance with Measure M2 requirements.

**SECTION 2.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2016.

\_\_\_\_\_  
NOEL HATCH, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 16-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2016, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

**CITY OF LAGUNA WOODS  
Capital Improvement Program - Potential Seven-Year Phasing  
Fiscal Years 2016-17 - 2022-23**

Project Title	Project Cost	Prior Fiscal Years	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
Dairy Fork Constructed Wetland Project	\$ 59,956	\$ 59,956	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
El Toro Road Traffic Signal Synchronization Project*	\$ 642,500	\$ 607,120	\$ 29,980	\$ 3,600	\$ 1,800	\$ -	\$ -	\$ -	\$ -
Moulton Parkway Traffic Signal Synchronization Project*	\$ 808,050	\$ 732,170	\$ 69,760	\$ 4,080	\$ 2,040	\$ -	\$ -	\$ -	\$ -
Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Paseo de Valencia)	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pavement Management Plan Project, Pedestrian Accessibility	\$ 7,500	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Hall Restroom Repair and Improvement Project (Design)	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Centre Park Lighting Improvement Project	\$ 115,000	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -
El Toro Road Water Efficient Median Improvement Project	\$ 295,550	\$ -	\$ -	\$ -	\$ 295,550	\$ -	\$ -	\$ -	\$ -
Moulton Parkway Water Efficient Median Improvement	\$ 352,176	\$ 52,250	\$ -	\$ -	\$ -	\$ 299,926	\$ -	\$ -	\$ -
Santa Maria Water Efficient Median Improvement Project	\$ 418,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,920	\$ 371,565
Pavement Management Plan Projects (Between Fiscal Years 2017-18 and 2021-22)	\$ 375,000	\$ -	\$ -	\$ 150,000	\$ 210,000	\$ -	\$ -	\$ 15,000	\$ -
Pavement Management Plan Project, Pedestrian Accessibility	\$ 18,750	\$ -	\$ -	\$ 7,500	\$ 10,500	\$ -	\$ -	\$ 750	\$ -
<b>TOTAL \$</b>	<b>3,272,967</b>	<b>1,451,496</b>	<b>287,240</b>	<b>280,180</b>	<b>519,890</b>	<b>299,926</b>	<b>-</b>	<b>62,670</b>	<b>371,565</b>

\* Project costs include cash, in-kind, and operations and maintenance expenses from both the City and all involved agencies.  
Note: This table complies with Orange County Transportation Authority requirements.

*This page is intentionally blank.*

**RESOLUTION NO. 16-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17 COMMENCING JULY 1, 2016 AND ENDING JUNE 30, 2017

**WHEREAS**, Article XIII B of the California State Constitution restricts the appropriations growth rate for cities and other local jurisdictions; and

**WHEREAS**, annual appropriations limits established pursuant to Article XIII B are required to be modified on an annual basis for changes in inflation and population according to calculation methods established by Proposition 111; and

**WHEREAS**, voters established the base annual appropriations limit for the City of Laguna Woods at \$4,165,544 in 2002; and

**WHEREAS**, the City of Laguna Woods has complied with the provisions of Article XIII B in determining an appropriations limit for Fiscal Year 2016-17; and

**WHEREAS**, the City of Laguna Woods has complied with Government Code Section 7910 by making documentation regarding its determination available for public review for 15 days prior to this City Council meeting.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** That the annual appropriations limit for Fiscal Year 2016-17 shall be \$9,546,508, as calculated in Exhibit A attached hereto.

**SECTION 2.** That the adjustment factors for the Fiscal Year 2016-17 limit calculation shall be the annual percentage change in Orange County population and the annual percentage change in California per capita personal income.

**SECTION 3.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2016.

\_\_\_\_\_  
NOEL HATCH, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do  
HEREBY CERTIFY that the foregoing **Resolution No. 16-XX** was duly adopted by  
the City Council of the City of Laguna Woods at an adjourned regular meeting  
thereof, held on the XX day of XX 2016, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

**CITY OF LAGUNA WOODS  
ANNUAL APPROPRIATIONS LIMIT  
Fiscal Year 2016-17 Calculation**

Calculation of Appropriations Limit:

Appropriations Limit for Fiscal Year 2015-16	\$8,971,351
Adjustment Factors:	
Population Change (County of Orange)*	1.0099
Cost of Living (Per Capita Personal Income)*	x <u>1.0537</u>
Combined Adjustment Factor*	<u>1.0494</u>
Appropriations Limit for Fiscal Year 2016-17	<u>\$9,546,508</u>
Appropriations Subject to Limitation for Fiscal Year 2016-17	\$3,796,765

\* State of California, Department of Finance, *Price and Population Information*. May 2016.  
Factors are rounded to four decimal places for presentation purposes.