

# CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Regular Meeting  
Wednesday, February 20, 2019  
2:00 p.m.

Laguna Woods City Hall  
24264 El Toro Road  
Laguna Woods, California 92637

Cynthia Connors  
Mayor

Noel Hatch  
Mayor Pro Tem

Shari L. Horne  
Councilmember



Carol Moore  
Councilmember

Joe Rainey  
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 meets regularly 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. 17-30, 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).

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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. 17-30, pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act.

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

2-15-19  
\_\_\_\_\_  
Date

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PLEDGE OF ALLEGIANCE**

**IV. PRESENTATIONS AND CEREMONIAL MATTERS**

4.1 Black History Month – February 2019

*Recommendation:* Approve and present the proclamation.

4.2 OC Human Relations Commission Annual Report

*Recommendation:* Receive and file.

4.3 Text-to-911 Presentation

*Recommendation:* Receive and file.

**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 City Council Minutes

*Recommendation:* Approve the City Council meeting minutes for the regular meeting on January 16, 2019.

6.2 City Treasurer’s Report

*Recommendation:* Receive and file the City Treasurer’s Report for the month of January 2019.

6.3 Warrant Register

*Recommendation:* Approve the warrant register dated February 20, 2019 in the amount of \$646,913.63.

6.4 Tree Pruning and Removal Services

*Recommendation:* Approve an extension of the agreement with Great Scott Tree Service, Inc. for tree pruning and removal services and authorize the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.5 Dog Park Relocation Project: Phase 1

*Recommendation:* Ratify the City Manager’s execution of the takeover agreement with United States Fire Insurance Company for completion of the construction of the “Dog Park Relocation Project: Phase 1,” in the amount of \$314,070.56, plus authorized change orders not to exceed \$22,422.31; and authorize the City Manager to approve change orders.

**VII. PUBLIC HEARINGS**

**VIII. CITY COUNCIL BUSINESS**

8.1 Budgeting, Reserves, and Reporting Policy

*Recommendation:* Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING AMENDMENTS TO ADMINISTRATIVE POLICY 2.9 PERTAINING TO BUDGETING, RESERVES, AND REPORTING

## 8.2 City Council Meeting Schedule

*Recommendation:* Reschedule the regular City Council meeting on March 20, 2019 at 2 p.m. at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637.

## 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.

- 9.1 Coastal Greenbelt Authority  
Mayor Connors; Alternate: Councilmember Horne
- 9.2 Orange County Fire Authority  
Mayor Pro Tem Hatch
- 9.3 Orange County Library Advisory Board  
Councilmember Rainey; Alternate: Councilmember Moore
- 9.4 Orange County Mosquito and Vector Control District  
Councilmember Horne
- 9.5 San Joaquin Hills Transportation Corridor Agency  
Mayor Connors; Alternate: Councilmember Moore
- 9.6 South Orange County Watershed Management Area  
Councilmember Moore; Alternate: Mayor Pro Tem Hatch
- 9.7 Other Comments and Reports

## X. CLOSED SESSION

Prior to convening in closed session, the City Council will hear public comments on items appearing on the closed session agenda.

- 10.1 The City Council will meet in closed session under the authority of California Government Code sections 54956.9(d)(2) and (e)(1) to

discuss significant exposure to litigation in three cases.

**XI. CLOSED SESSION REPORT**

**XII. ADJOURNMENT**

Next Regular Meeting:                      Wednesday, April 17, 2019 at 2 p.m.  
Laguna Woods City Hall  
24264 El Toro Road, Laguna Woods, California 92637

**4.1**  
**PROCLAMATION –**  
**BLACK HISTORY MONTH –**  
**FEBRUARY 2019**

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**Proclamation  
City of Laguna Woods  
Black History Month  
February 2019**

**WHEREAS**, African Americans have played a critical role in the social, economic, and political development of the United States; and

**WHEREAS**, African Americans have a proud legacy of service and dedication to our community, state, and country; and

**WHEREAS**, Black History Month is a time for all Americans to remember the stories and teachings of African Americans who have helped to combat prejudice, further the cause of civil rights, and build, serve, and enrich our nation; and

**WHEREAS**, the Laguna Woods African American Heritage Club provides residents with opportunities to celebrate and recognize African American culture through social, educational, and historical events unique to African American life; and

**WHEREAS**, the City of Laguna Woods is committed to embracing diversity.

**NOW, THEREFORE, BE IT RESOLVED** that the Laguna Woods City Council does hereby proclaim February 2019 as “Black History Month” in the City of Laguna Woods and encourages reflection on the contributions that African Americans have made and continue to make, both locally and throughout our nation.

Dated this 20<sup>th</sup> day of February, 2019

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Cynthia Conners  
Mayor

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Attest: Yolie Trippy  
Deputy City Clerk

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**4.2**  
**OC HUMAN RELATIONS COMMISSION**  
**ANNUAL REPORT**  
**(NO REPORT)**

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**4.3**  
**TEXT-TO-911 PRESENTATION**

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# NEWS RELEASE

SHERIFF-CORONER DON BARNES

FOR IMMEDIATE RELEASE

Public Information Manager Carrie Braun  
W: 714-647-7042 | C: 714-904-7042

## Orange County public safety agencies launch Text-to-911

**SANTA ANA, Ca. (February 6, 2019)** – Orange County law enforcement and fire dispatch centers are now equipped with Text-to-911 to allow the hearing impaired, speech impaired or those in an emergency situation who are unable to make a phone call reach emergency services dispatchers by text message.

Text-to-911 was jointly launched by every Orange County public safety agency with a Public Safety Answering Point (PSAP) on February 6. In 2018, more than 1,243,092 calls were made to 911 in Orange County. Eighty percent of those calls came from mobile phones.

Remember to always call if you can, and text if you can't. Calling provides a faster response, allowing information to be relayed to responding public safety personnel as quickly as possible. It also allows dispatchers to hear background noises or conversations and gather additional information.

"It's important that every member of our community has a safe and effective way to access emergency services in Orange County, and Text-to-911 provides that," said Sheriff Don Barnes.

When texting, residents should first provide their location and whether they need law enforcement, fire or medical aid services.

"It's critical that those using Text-to-911 accurately share their location and offer as many clear details as possible," said Orange County Fire Authority Chief Brian Fennessy. "Being precise means we can more quickly reach those who need help most."

More about Text-to-9-1-1

- Ensure location services on your mobile phone are turned on and be prepared to provide your location in the text.
- To get started, type "911" in the "to" field of the text message and, in addition to your location, provide the type of emergency services you need (police, fire or medical).
- Use plain text and refrain from abbreviations.
- Dispatchers cannot accept pictures, videos or icons.
- Text-to-9-1-1 cannot be used in a group text.
- If your text does not go through, you should receive a message to make a voice call.
- Calling or texting 911 when it is not an emergency is a crime punishable by up to a year in County jail and a fine of up to \$1,000.

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**6.1-6.5**  
**CONSENT CALENDAR SUMMARY**

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# City of Laguna Woods Agenda Report

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Christopher Macon, City Manager  
**FOR:** February 20, 2019 Regular Meeting  
**SUBJECT:** Consent Calendar Summary

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## **Recommendation**

Approve all proposed actions on the February 20, 2019 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 February 20, 2019 Consent Calendar contains the following items:

- 6.1 Approval of the City Council meeting minutes for the regular meeting on January 16, 2019.
- 6.2 Approval of a motion to receive and file the City Treasurer's Report for the month of January 2019.
- 6.3 Approval of the warrant register dated February 20, 2019 in the amount of \$646,913.63. A list of warrants is included in the agenda packet; detailed information about individual warrants is available at or from City Hall.

- 6.4 Approval of an extension of the agreement with Great Scott Tree Service, Inc. for tree pruning and removal 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 from March 1, 2019 through March 31, 2019, in order to provide for uninterrupted as-needed services while the City completes a competitive request for proposals process for future services.
- 6.5 Ratification of the City Manager’s execution of the takeover agreement with United States Fire Insurance Company for completion of the construction of the “Dog Park Relocation Project: Phase 1,” in the amount of \$314,070.56, plus authorized change orders not to exceed \$22,422.31; and authorization for the City Manager to approve change orders. The takeover agreement provides for United States Fire Insurance Company to undertake its obligations to complete the construction of the “Dog Park Relocation Project: Phase 1” under the performance bond that it issued on behalf of the former (and, since terminated) contractor. The takeover agreement does not increase the City’s costs payable for previously approved construction. The proposed change order authorization represents an increase from 15% to 18% of the original contract amount, less previously approved change orders, which is necessary to mitigate potential future delays caused by unforeseen conditions and/or additional work. Exhibit A to the takeover agreement, which includes a general description of the remaining work, is available at or from City Hall.

**6.1**  
**CITY COUNCIL MINUTES**

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**CITY OF LAGUNA WOODS CALIFORNIA  
CITY COUNCIL MINUTES  
REGULAR MEETING  
January 16, 2019  
2:00 P.M.  
Laguna Woods City Hall  
24264 El Toro Road  
Laguna Woods, California 92637**

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**I. CALL TO ORDER**

Mayor Connors called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:01 p.m.

**II. ROLL CALL**

COUNCILMEMBER:           PRESENT:   Horne, Moore, Rainey, Hatch, Connors  
                                  ABSENT:   -

STAFF PRESENT:           City Manager Macon, Attorney Emily Webb on behalf of City  
                                  Attorney Cosgrove, Administrative Services Director/City  
                                  Treasurer Cady, Deputy City Clerk Trippy

**III. PLEDGE OF ALLEGIANCE**

Councilmember Rainey led the pledge of allegiance.

**IV. PRESENTATIONS AND CEREMONIAL MATTERS – None**

**V. PUBLIC COMMENT**

Nathan Searcy, representative for Assemblymember Cottie Petrie-Norris, introduced himself and announced mobile office hours for the Assemblymember’s Office at Laguna Woods City Hall.

An unidentified resident expressed concern regarding the use of Roundup® chemicals in Laguna Woods Village and asked that the City prohibit such use.

Councilmembers briefly responded to the unidentified resident’s comments and noted that the City is unable to regulate pesticide use on private property. The City has prohibited the use of glyphosate (a chemical in Roundup®) and pesticides/herbicides that contain glyphosate on City-maintained property.

**VI. CONSENT CALENDAR**

Moved by Councilmember Moore, seconded by Councilmember Hatch, and carried

unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.5.

6.1 City Council Minutes

Approved the City Council meeting minutes for the regular meeting on December 19, 2018.

6.2 City Treasurer’s Report

Received and filed the City Treasurer’s Report for the month of December 2018.

6.3 Warrant Register

Approved the warrant register dated January 16, 2019 in the amount of \$343,268.67.

6.4 Fiscal Year 2018-19 Budget Adjustments

Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2017-19 BUDGET AND WORK PLAN FOR FISCAL YEAR 2017-18 COMMENCING JULY 1, 2017 AND ENDING JUNE 30, 2018, AND FISCAL YEAR 2018-19 COMMENCING JULY 1, 2018 AND ENDING JUNE 30, 2019, TO INCREASE APPROPRIATIONS FOR THE GENERAL FUND; AUTHORIZE TRANSFERS FROM THE GENERAL FUND TO THE FUEL TAX FUND AND MEASURE M2 FUND; AND, AUTHORIZE THE CLOSURE OF, AND TRANSFERS RELATED TO THE CLOSURE OF, UNBUDGETED GENERAL FUND 010

6.5 Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Church Intersection) and Various Median and Sidewalk Reconstruction, and Dog Park Parking Lot Work

1. Approved the “Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Church Intersection) and Various Median and Sidewalk Reconstruction, and Dog Park Parking Lot Work” design plans and specifications as prepared by the City Engineer’s Office.

AND

2. Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2017-19 BUDGET AND WORK PLAN FOR FISCAL YEAR

2017-18 COMMENCING JULY 1, 2017 AND ENDING JUNE 30, 2018, AND FISCAL YEAR 2018-19 COMMENCING JULY 1, 2018 AND ENDING JUNE 30, 2019, RELATED TO APPROPRIATIONS FOR THE GENERAL FUND, CAPITAL PROJECTS FUND, AND FUEL TAX FUND FOR THE “PAVEMENT MANAGEMENT PLAN PROJECT (EASTBOUND EL TORO ROAD BETWEEN AVENIDA SEVILLA AND CHURCH INTERSECTION) AND VARIOUS MEDIAN AND SIDEWALK RECONSTRUCTION” AND THE “ ‘A PLACE FOR PAWS’ DOG PARK RELOCATION PROJECT”

3. Awarded a contract agreement to Hardy & Harper, Inc. for the construction of the “Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Church Intersection) and Various Median and Sidewalk Reconstruction, and Dog Park Parking Lot Work” in the amount of \$247,000, plus authorized change orders not to exceed 10% of the base amount; and authorized the City Manager to execute a contract agreement and approve change orders, subject to approval of the contract agreement as to form by the City Attorney.

**VII. PUBLIC HEARINGS – None**

**VIII. CITY COUNCIL BUSINESS**

**8.1 Employee Positions, Compensation, and Benefits**

City Manager Macon made a presentation.

Councilmembers discussed the item.

Moved by Councilmember Moore, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to:

1. Approve job classifications for the following City employee positions: Accountant Series (Accountant and Senior Accountant), Accounting Clerk, Administrative Services Directory/City Treasurer, Administrative Coordinator, Customer Service Representative, Deputy City Clerk, and Management Analyst Series (Management Analyst and Senior Management Analyst).

AND

2. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 18-38 AND ESTABLISHING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES

3. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING THE AUTHORIZED CITY EMPLOYEE POSITIONS FOR FISCAL YEAR 2018-19

8.2 Water Quality Regulations

City Manager Macon made a presentation.

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember Horne, seconded by Councilmember Rainey, and carried unanimously on a 5-0 vote, to approve second reading and adopt an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 4.14 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO WATER QUALITY

8.3 City Council Meeting Schedule

City Manager Macon made a presentation.

Councilmembers discussed the item.

Moved by Councilmember Moore, seconded by Councilmember Rainey, and carried unanimously on a 5-0 vote, to approve a City Council meeting schedule for Fiscal Year 2019-20.

**IX. CITY COUNCIL REPORTS AND COMMENTS**

9.1 Coastal Greenbelt Authority

Mayor Connors provided a report.

Councilmembers briefly commented on the report.

9.2 Orange County Fire Authority

Mayor Pro Tem Hatch provided a report.

George Casario, Battalion Chief, Orange County Fire Authority, provided a brief update on current rainfall.

Councilmembers briefly commented on the report.

9.3 Orange County Library Advisory Board

Councilmember Rainey stated that there had been no meeting since the last meeting.

Councilmember Moore provided a brief update on upcoming library issues.

9.4 Orange County Mosquito and Vector Control District

Councilmember Horne provided a report.

9.5 San Joaquin Hills Transportation Corridor Agency

Mayor Connors stated that she had no report.

Councilmembers briefly commented on transportation issues.

9.6 South Orange County Watershed Management Area

Councilmember Moore stated that there had been no meeting since the last meeting.

9.7 Other Comments and Reports

Councilmember Horne provided a report on the Senior Citizens Advisory Council.

Councilmember Horne announced that the next South County Senior Summit has been scheduled for May 17, 2019 at Soka University of America in Aliso Viejo.

Councilmember Rainey provided a report on the Senior Citizens Advisory Council's Housing and Transportation Committee.

Mayor Pro Tem Hatch provided a report on the Orange County Cemetery District.

Councilmembers briefly commented on the report.

Mayor Connors and Councilmember Moore commented on the upcoming Orange County point-in-time homeless count.

**X. CLOSED SESSION – None**

**XI. CLOSED SESSION REPORT – None**

**XII. ADJOURNMENT**

The meeting was adjourned at 2:54 p.m. The next regular meeting will be at 2:00 p.m. on

ITEM 6.1

Wednesday, February 20, 2019, at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

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YOLIE TRIPPY, Deputy City Clerk

Approved: February 20, 2019

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CYNTHIA CONNERS, Mayor

**6.2**  
**CITY TREASURER'S REPORT**

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**City of Laguna Woods**  
**City Treasurer's Report**  
**For the Month Ended January 31, 2019**

ITEM 6.2

**CASH AND INVESTMENTS**

	Beginning Balances As of 12/31/18	Earnings & Receipts	Disbursements	Purchases, Transfers & Other Adjustments	Ending Balances As of 1/31/19	% of Total Cash & Investment Balances	Maximum % Allowed per Investment Policy
<b>Cash and Cash Equivalents</b>							
Analyzed Checking Account (Note 3)	\$ 489,560	\$ 1,583,176	\$ (571,249)	\$ -	\$ 1,501,487	13.70%	
Cash Balances, Multi-Bank Securities (MBS) Account	\$ 1,440	\$ 5,942	\$ (1,440)	\$ -	\$ 5,942	0.05%	
Earned Interest in Transit and Accrued Interest, Securities Account	\$ 10,371	\$ 5,945	\$ (5,942)	\$ -	\$ 10,374	0.09%	
Petty Cash	\$ 1,473	\$ 280	\$ (278)	\$ -	\$ 1,476	0.01%	
Total Cash and Cash Equivalents	\$ 502,844	\$ 1,595,344	\$ (578,908)	\$ -	\$ 1,519,279	13.86%	100.00%
<b>Pooled Money Investment Accounts (PIMA)</b>							
Local Agency Investment Fund (LAIF) (Notes 1 and 2)	\$ 4,846,134	\$ 24,672	\$ -	\$ -	\$ 4,870,806	44.45%	
Orange County Investment Pool (OCIP) (Notes 1 and 2)	\$ 2,065,341	\$ 5,864	\$ (162)	\$ -	\$ 2,071,043	18.90%	
Total Pooled Money Investment Accounts	\$ 6,911,475	\$ 30,537	\$ (162)	\$ -	\$ 6,941,850	63.35%	90.00%
<b>Investments - Interest and Income Bearing</b>							
Certificates of Deposit (book value) (Note 4)	\$ 2,497,003	\$ -	\$ -	\$ -	\$ 2,497,003	22.79%	
Total Investments	\$ 2,497,003	\$ -	\$ -	\$ -	\$ 2,497,003	22.79%	30.00%
<b>TOTAL CASH, CASH EQUIVALENTS, AND INVESTMENTS</b>	<b>\$ 9,911,322</b>	<b>\$ 1,625,880</b>	<b>\$ (579,070)</b>	<b>\$ -</b>	<b>\$ 10,958,132</b>	100.00%	

**Summary of Total Cash, Cash Equivalents, and Investments (Note 4):**

	General Fund	Special Revenue Funds	Totals
Analyzed Checking	\$ 284,856	\$ 1,216,632	\$ 1,501,487
Cash, Securities Account	\$ 5,942	\$ -	\$ 5,942
Interest in Transit	\$ 10,374	\$ -	\$ 10,374
Petty Cash	\$ 1,476	\$ -	\$ 1,476
LAIF	\$ 4,870,806	\$ -	\$ 4,870,806
OCIP	\$ 2,071,043	\$ -	\$ 2,071,043
Certificates of Deposit	\$ 2,497,003	\$ -	\$ 2,497,003
<b>Totals</b>	<b>\$ 9,741,500</b>	<b>\$ 1,216,632</b>	<b>\$ 10,958,132</b>

(See **NOTES** on Page 3 of 3)



**City of Laguna Woods  
City Treasurer's Report  
For the Month Ended January 31, 2019**

ITEM 6.2

**INVESTMENT PORTFOLIO DETAIL**

CUSIP	Investment #	Issuer	Term	Purchase Date	Settlement Date	Par Value	Market Value	Book Value	Stated Rate (Note 5)	Coupon Type	1st Coupon Date	Rating or Rank (*)	Yield to Maturity 365 Days	Maturity Date
<b>Money Funds and Certificate of Deposits (CDs, Federal Deposit Insurance Corporation [FDIC] Insured)</b>														
508176CH5	2017-2	LAKE CITY BANK	24 months	03/08/17	03/22/17	245,000	244,789	245,000	1.600	Monthly	04/22/17	300	1.600	03/22/19
38148PTD9	2017-6	GOLDMAN SACHS BANK USA	36 months	11/16/17	11/22/17	245,000	242,121	245,000	2.050	Semi-Annual	05/22/18	Green*	2.050	11/23/20
61747ML58	2018-1	MORGAN STANLEY BK N A SALT LAKE	36 months	02/14/18	02/22/18	100,000	99,664	100,000	2.600	Semi-Annual	08/22/18	Green***	2.600	02/22/21
101120DW0	2018-2	BOSTON PRIVATE BANK & TR	21 months	03/09/18	03/23/18	245,000	244,520	245,000	2.300	Monthly	04/23/18	Green***	2.300	12/23/19
64944RJO	2018-3	NEW YORK COMMUNITY BANK	24 months	03/23/18	03/28/18	100,000	99,846	100,000	2.450	Semi-Annual	09/28/18	Green***	2.450	03/27/20
05580AMD3	2018-4	BMW BANK NORTH AMERICA	36 months	03/23/18	03/29/18	245,000	244,552	245,000	2.700	Semi-Annual	09/29/18	Green***	2.700	03/29/21
254673RS7	2018-5	DISCOVER BANK (#5649)	36 months	07/11/18	07/18/18	245,000	245,889	245,000	3.000	Semi-Annual	01/18/19	Green***	3.000	07/19/21
90348JEA4	2018-6	UBS BANK USA	48 months	10/01/18	10/05/18	245,000	246,575	245,000	3.250	Monthly	11/05/19	Green***	3.250	10/05/22
61760ARV3	2018-7	MORGAN STANLEY PRIVATE BK NATL	60 months	11/06/18	11/15/18	245,000	248,783	245,000	3.550	Semi-Annual	05/15/19	Green***	3.550	11/15/23
87164YQG2	2018-8	SYNCHRONY BANK RETAIL/MORGAN	41 months	12/07/18	12/11/18	100,000	98,125	97,003	2.470	Semi-Annual	05/19/19	Green***	3.329	05/19/22
02589AA28	2018-9	AMERICAN EXPRES NATL	60 months	12/07/18	12/10/18	240,000	243,691	240,000	3.550	Semi-Annual	06/04/19	Green***	3.550	12/04/23
817164YQG2	2018-10	FIRST TECHNOLOGY FED CU MTN VIEW	41 months	12/07/18	12/11/18	245,000	249,341	245,000	3.590	Semi-Annual	05/19/19	Green***	3.590	05/19/22
		Accrued Interest - Month End					10,374							
<b>Total CDs</b>						<b>2,500,000</b>	<b>2,518,271</b>	<b>2,497,003</b>						

(\*) At the time of purchase and until September 2017, CDs were rated or ranked using an IDC Financial Publishing, Inc. (IDC) compiled ranking, and includes a one-number summary rank of quality comprised of 35 key financial ratios. Ranks range from 1 (the lowest) to 300 (the highest) and fall into one of the following six groups per Table 1. Post September 2017, CDs are ranked using the Veribanc Rating System, a two-part color code and star classification system which tests the present standing and future outlook by reviewing an institution's capital strength, asset quality, management ability, earnings sufficiency, liquidity, and sensitivity to market risk. Table 2 below summarizes the Veribanc color rankings. Veribanc star ratings of one to three, with three being best, are used to help review a possible future trend of an institutions health based on metrics from ten prior quarters. A rating of one, two, or three, are not necessarily an indicator of risk or an undesirable investment. The City reviews other rating systems and issuer financials before choosing any investment.

Table 1: CD Rankings (used prior to September 2017)

IDC Rank	Group Meaning
200-300	Superior
165-199	Excellent
125-164	Average
75-124	Below Average
2-74	Lowest Ratios
1	Highest Probability of Failure

Table 2: Veribanc Color Rankings (used post September 2017)

Veribanc Rank	Color Meaning
Green	Highest rating, exceeds qualifications in equity and income tests
Yellow	Merits attention, meets minimal qualifications in equity and income tests
Red	Merits close attention, does not meet minimal qualifications for equity and has incurred significant losses

**Government Pooled Money Investment Accounts (Notes 1, 2, and 3)**

N/A	N/A	Local Agency Investment Fund (LAIF)	N/A	Various	Various	4,870,806	4,870,806	4,870,806	2.400%	N/A	N/A	N/A	N/A	N/A
N/A	N/A	Orange County Investment Pool (OCIP)	N/A	Various	Various	2,071,043	2,071,043	2,071,043	Pending	N/A	N/A	N/A	N/A	N/A
<b>Total PIMA</b>						<b>6,941,850</b>	<b>6,941,850</b>	<b>6,941,850</b>						

(See **NOTES** on Page 3 of 3)



**City of Laguna Woods  
City Treasurer's Report  
For the Month Ended January 31, 2019**

ITEM 6.2

**OTHER FUNDS - HELD IN TRUST**

	Beginning Balances As of 12/31/18	Contributions / (Withdrawals)	Administrative Fees & Investment Expense	Unrealized Gain / (Loss)	Ending Balances As of 1/31/19
<b>Other Post-Employment Benefits (OPEB) Trust</b>					
CalPERS California Employers' Retiree Benefit Trust (CERBT) (CERBT holds all assets and administers the OPEB Trust)	\$ 91,228	\$ -	\$ (7)	\$ 3,769	\$ 94,990
Total Other Funds - Held in Trust	<u>\$ 91,228</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ 3,769</u>	<u>\$ 94,990</u>

**Notes:**

Note 1 - During January 2019, transaction activity in government money market funds, investment accounts and fiduciary trusts included:

LAIF / The City made deposits to or withdrawals from the LAIF account.

OCIP / The City made no deposits to or withdrawals from the OCIP account.

Investments / The City did not purchase investments and there were no maturities.

OPEB Trust / The City made no contributions to the OPEB Trust in January 2019. The Fund experienced a \$3,769 gain in January 2019.

Note 2 - Investment earnings on government pooled money investment accounts deposited and reported January 2019 net of related fees were:

Pool	Earnings Post	Prior Period Earnings Deposited	Deposit for Period Ended	Current Month / Quarter Gross Yield	Current Month Earnings Will Post	Notes
LAIF	Quarterly	\$24,672	10/1/18 thru 12/31/18	2.400%	April 2019	The gross yield this quarter was reduced by administrative fees averaging 0.463%. The OCIP January 2019 statement had not been received at the time of this report. Interest is posted two to three months in arrears and fees are posted monthly. Accrued interest pending payment at 12/31/18 was \$15,230.33.
OCIP	Monthly	\$5,864	September 2018	1.998%	See Notes	Fees average 0.059%.

Note 3 - Analyzed Checking Account / Monthly activity reported does not reflect January vendor invoicing processed after the date of this report.

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest \$5,942.10 and transferred out \$1,439.79 in cash balances to the City's checking account in January. Cash balances to be invested or paid out are classified separately on page 1 of 3. The City portfolio also has \$10,373.88 in accrued interest, not yet vested.

**City Treasurer's Certification**

I, Margaret A. Cady, City Treasurer, do hereby certify:

- That all investment actions executed since the last report have been made in full compliance with the City's Investment of Financial Assets Policy; and
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

*Margaret A Cady*

Margaret A. Cady, City Treasurer

*2/14/19*

Dated

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**6.3**  
**WARRANT REGISTER**

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## CITY OF LAGUNA WOODS

## WARRANT REGISTER

02/20/2019

This Report Covers the Period 01/01/2019 through 02/08/2019

Date	Vendor Name	Description	Amount
<b>Debit</b>	<b>Automatic Bank Debits:</b>		
01/03/2019	BUSINESS PLANS	Employee Benefit Program / December 2019	416.63
01/04/2019	ADP PAYROLL SERVICES	Payroll Processing Fees / Pay Period Ended 01/04/2019	171.40
01/09/2019	ADP TAX	Payroll Taxes / Pay Period Ended 01/04/2019	9,517.63
01/09/2019	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 01/04/2019	17,773.28
01/09/2019	COUNTY OF ORANGE	Law Enforcement Services / January 2019	228,940.46
01/10/2019	ICMA / MFRS AND TRADERS TRUST	Employee Benefit Program / Pay Period Ended 01/04/2019	1,729.61
01/18/2019	ADP PAYROLL SERVICES	Payroll Processing Fees / Pay Period Ended 01/18/2019	179.48
01/23/2019	ADP TAX	Payroll Taxes / Pay Period Ended 01/18/2019	8,471.22
01/23/2019	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 01/18/2019	16,125.31
01/23/2019	ICMA / MFRS AND TRADERS TRUST	Employee Benefit Program / Pay Period Ended 01/18/2019	1,114.61
01/24/2019	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/04/2019	885.53
01/24/2019	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/04/2019	3,443.47
01/24/2019	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/18/2019	885.53
01/24/2019	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/18/2019	3,134.02
01/24/2019	CALPERS - HEALTH	Employee Benefit Program / January 2019	4,977.10
01/24/2019	CALPERS - HEALTH	Employee Benefit Program / February 2019	4,472.49
01/30/2019	BUSINESS PLANS	Employee Benefit Program / January 2019	416.67
02/01/2019	ADP PAYROLL SERVICES	Payroll Processing Fees / Pay Period Ended 02/01/2019	163.32
02/06/2019	ADP TAX	Payroll Taxes / Pay Period Ended 02/01/2019	9,461.17
02/06/2019	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 02/01/2019	18,746.38
<b>Check</b>	<b>Warrants:</b>		
2667	01/10/2019 360 BUSINESS CONSULTING	Website Hosting / December 2018	200.00
2668	01/10/2019 ANGELQUE FLANAGAN	Reimbursement - Notary Commission Testing	179.00
2669	01/10/2019 AT&T	Telephone / 458-3487 / December 2018	39.82
2670	01/10/2019 AT&T	Telephone / 452-0600 / December 2018	1,394.49
2671	01/10/2019 AT&T	Telephone / 639-0500 / December 2018	208.89
2672	01/10/2019 BUSINESS PLANS, INCORPORATED	125 Cafeteria Plan Administration / December 2018	100.00
2673	01/10/2019 CALIFORNIA INTERNET LP	City Hall Internet Service / February 2019	424.00
2674	01/10/2019 CAPTIONING UNLIMITED	Closed Captioning Services / December 2018	200.00
2675	01/10/2019 COMPUTER SERVICE COMPANY	Traffic Maintenance / December 2018	868.00
2676	01/10/2019 COPYFORCE	Printing Services	118.53
2677	01/10/2019 COUNTY OF ORANGE	Automated Fingerprinting ID System / December 2018	658.00
2678	01/10/2019 DATA TICKET, INC	Citation Processing / October 2018	2.55
2679	01/10/2019 DELTA DENTAL OF CALIFORNIA	Employee Benefits Program / January 2019	293.37
2680	01/10/2019 HINDERLITER DELLAMAS & ASSOCIATES	Sales & Use Tax Consulting Services / Fiscal Year 2018-19	750.00
2681	01/10/2019 J&C CONTRACTORS	Waste Diversion Deposit Refund	250.00
2682	01/10/2019 MANAGED HEALTH NETWORK	Employee Benefits Program / January 2019	14.63
2683	01/10/2019 MARC DONOHUE	Administrative Services / December 2018	200.00
2684	01/10/2019 MICHAEL BAKER INTERNATIONAL	Planning Services / November 2018	19,585.00
2684	01/10/2019 MICHAEL BAKER INTERNATIONAL	General Plan Comprehensive Update Project / November 2018	2,790.00
2685	01/10/2019 NATIONAL CONSTRUCTION RENTALS, INC.	Fence Rental for Dog Park / December 2018	38.16
2686	01/10/2019 NEW MILENNIUM CONSTRUCTION SERVICES, INC.	City Hall Restroom Repair & Improvement Project / December 2018	50,554.93

**CITY OF LAGUNA WOODS**  
**WARRANT REGISTER**  
**02/20/2019**

ITEM 6.3

This Report Covers the Period 01/01/2019 through 02/08/2019

Date	Vendor Name	Description	Amount	
2687	01/10/2019	NUVIS	Dog Park Relocation Project / October 2018	373.75
2688	01/10/2019	OBR ARCHITECTURE, INC.	City Hall Restroom Repair & Improvement Project / December 2018	1,500.00
2689	01/10/2019	PETTY CASH	Replenish Petty Cash	0.00
2690	01/10/2019	PRACTICAL DATA SOLUTIONS	IT Support Services / December 2018	2,617.80
2691	01/10/2019	RICOH USA, INC.	Copier Lease / January 2019	214.20
2692	01/10/2019	RUTAN & TUCKER, LLP	Legal Services / December 2018	2,525.00
2693	01/10/2019	SO CAL SANITATION LLC	Temporary Restroom Rental / December 2018	4,026.80
2694	01/10/2019	SOUTHERN CALIFORNIA EDISON	Electric Services / December 2018	2,740.92
2695	01/10/2019	SOUTHERN CALIFORNIA EDISON	Street Lighting - Residential / December 2018	1,853.79
2696	01/10/2019	STAPLES	Office Supplies / December 2018	390.08
2697	01/10/2019	TEAM ONE MANAGEMENT	Janitorial Services / December 2018	776.37
2698	01/10/2019	U.S. BANK	Credit Card Charges (expenditures reported separately - see note 3)	954.82
2699	01/10/2019	VISION SERVICE PLAN OF AMERICA	Employee Benefits Program / January 2019	145.09
2700	01/10/2019	WILLDAN ENGINEERING	Code Enforcement Services / November 2018	1,943.00
2700	01/10/2019	WILLDAN ENGINEERING	Building Official Services / November 2018	8,460.00
2701	01/16/2019	AT&T	Telephone / 581-9821 / December 2018	51.96
2702	01/16/2019	AT&T	White Pages / January 2019	4.48
2703	01/16/2019	AT&T	Telephone / 583-1105 / December 2018	20.73
2704	01/16/2019	CAA	Water Quality Services / December 2018	2,118.00
2705	01/16/2019	CALIFORNIA YELLOW CAB	Taxi Voucher Services / December 2018	5,855.00
2706	01/16/2019	COMPUTER SERVICE COMPANY	Traffic Maintenance / December 2018	1,641.71
2707	01/16/2019	GREAT SCOTT TREE SERVICE, INC.	Tree Pruning Services / January 2019	720.00
2708	01/16/2019	ICMA RETIREMENT CORPORATION	Quarterly Plan Fee / January - March 2019	125.00
2709	01/16/2019	KFORCE INC	Temporary Accountant Services / Week Ending January 6, 2019	1,680.24
2710	01/16/2019	KONE INC.	City Hall Elevator Maintenance / January 2019	267.64
2711	01/16/2019	NIEVES LANDSCAPE, INC.	Landscape Maintenance / October 2018	180.00
2712	01/16/2019	PV MAINTENANCE INC	Street, City Hall & Park Maintenance / December 2018	15,240.45
2713	01/16/2019	RICOH USA, INC.	Copier Usage / December 2018	118.57
2714	01/16/2019	SUNSET PROPERTY SERVICES	Street Sweeping Service / December 2018	2,832.00
2715	01/16/2019	THE GAS COMPANY	Gas Service - City Hall / December 2018	152.47
2716	01/16/2019	UNITED SITE SERVICES	Fence Rental for Dog Park / January 2019	77.28
2717	01/16/2019	WM CURBSIDE, LLC	HHW, Medicine & Sharps Program / December 2018	2,047.30
2718	01/29/2019	ALLIED MECHANICAL AIR SYS, INC	City Hall Maintenance / October and December 2018	776.98
2719	01/29/2019	BALLIET, MICHAEL	Waste Management Consulting Services / December 2018	2,311.25
2720	01/29/2019	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / December 2018 - January 2019	6,553.82
2721	01/29/2019	CALIFORNIA BLDG STANDARDS COMM	Building Permit Fee Assessment / October -December 2018	211.54
2722	01/29/2019	CALIFORNIA YELLOW CAB	NEMT Taxi Voucher Services / December 2018	8,356.00
2723	01/29/2019	CAPTIONING UNLIMITED	Closed Captioning Services / January 2019	100.00
2724	01/29/2019	CLEARSOURCE FINANCIAL	Cost Allocation Consulting Services / November 2018	1,200.00
2725	01/29/2019	COUNTY OF ORANGE	Automated Fingerprint ID System / January 2019	658.00
2726	01/29/2019	CSG CONSULTANTS INC	Building Plan Check Services / December 2018	2,273.75
2727	01/29/2019	DEPARTMENT OF CONSERVATION	Quarterly SMIP Fee / October - December 2018	661.54
2728	01/29/2019	EL TORO WATER DISTRICT	Water Service / December 2018	4,771.23
2729	01/29/2019	FOREST PRINTING & COPYING INC	Printing Services	1,357.65
2730	01/29/2019	KFORCE INC	Temporary Accountant Services / Weeks Ending January 13 & 20, 2019	5,400.76
2731	01/29/2019	MARGARET CADY	Reimbursement - CSMFO Job Advertisement	275.00

**CITY OF LAGUNA WOODS  
WARRANT REGISTER  
02/20/2019**

**This Report Covers the Period 01/01/2019 through 02/08/2019**

<b>Date</b>	<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>	
2732	01/29/2019	MICHAEL BAKER INTERNATIONAL	Planning Services / December 2018	8,500.00
2733	01/29/2019	NATIONAL CONSTRUCTION RENTALS, INC.	Fence Rental for Dog Park / January 2019	38.16
2734	01/29/2019	NEW MILENNIUM CONSTRUCTION SERVICES, INC.	City Hall Restroom Repair & Improvement Project / January 2019	56,688.70
2735	01/29/2019	ORANGE COUNTY REGISTER-NOTICES	Public Notices / December 2018	2,570.90
2736	01/29/2019	RICOH USA, INC.	Copier Lease / February 2019	214.20
2737	01/29/2019	RUTAN & TUCKER, LLP	Legal Services / December 2018	3,367.50
2738	01/29/2019	SO CAL SANITATION LLC	Temporary Restroom Rental / January - February 2019	4,286.80
2739	01/29/2019	TYLER TECHNOLOGIES, INC.	Permitting Software	2,344.00
2740	01/29/2019	U.S. BANK	Credit Card Charges (expenditures reported separately - see note 4)	273.81
2741	01/29/2019	VAN DYKE LANDSCAPE ARCHITECTS	Landscape Architectural Services / December 2018	2,005.00
2742	01/29/2019	WILLDAN ENGINEERING	Code Enforcement Services / December 2018	2,030.00
2742	01/29/2019	WILLDAN ENGINEERING	Building Official Services / December 2018	10,440.00
2743	01/29/2019	RICOH USA, INC.	Copier Usage / November 2018	122.76
2744	02/08/2019	360 BUSINESS CONSULTING	Website Hosting / January 2019	200.00
2745	02/08/2019	ALLIED MECHANICAL AIR SYS, INC	City Hall Maintenance / January - March 2019	375.00
2746	02/08/2019	AT&T	Telephone / 458-3487 / January 2019	39.80
2747	02/08/2019	AT&T	Telephone / 639-0500 / January 2019	208.83
2748	02/08/2019	AT&T	Telephone / 452-0600 / January 2019	1,354.86
2749	02/08/2019	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / January 2019	14,115.00
2750	02/08/2019	BUSINESS PLANS, INCORPORATED	125 Cafeteria Plan Administration / January 2019	100.00
2751	02/08/2019	CALIFORNIA INTERNET LP	City Hall Internet Service / March 2019	424.00
2752	02/08/2019	CAROLYNA MESSINA AND ASSOCIATES, INC.	Employee Development Services / January 2019	475.00
2753	02/08/2019	CIVIL SOURCE	El Toro Road Traffic Signal Synchronization Maintenance / August - December 2018	6,859.30
2754	02/08/2019	COMPUTER SERVICE COMPANY	Traffic Maintenance / January 2019	868.00
2755	02/08/2019	DELTA DENTAL OF CALIFORNIA	Employee Benefits Program / February 2019	293.37
2756	02/08/2019	DUNKEL BROS MACHINERY MOVING INC.	City Hall Vault Door Removal Work	5,875.00
2757	02/08/2019	FOREST PRINTING & COPYING INC	Printing Services	64.65
2758	02/08/2019	KFORCE INC	Temporary Accountant Services / Week Ending January 27, 2019	2,160.32
2759	02/08/2019	LEAGUE OF CALIFORNIA CITIES	Membership Dues / Calendar Year 2019	6,898.00
2760	02/08/2019	MANAGED HEALTH NETWORK	Employee Benefits Program / February 2019	14.63
2761	02/08/2019	MARC DONOHUE	Administrative Services / January 2019	150.00
2762	02/08/2019	NUVIS	Dog Park Relocation Project / December 2018	172.50
2763	02/08/2019	ON POINT LAND SURVEYING, INC	Dog Park Relocation Project / July 2018	1,200.00
2764	02/08/2019	SOUTHERN CALIFORNIA EDISON	Street Lighting - Residential / January 2019	1,817.73
2765	02/08/2019	STAPLES	Office Supplies / January 2019	224.42

**CITY OF LAGUNA WOODS  
WARRANT REGISTER  
02/20/2019**

**This Report Covers the Period 01/01/2019 through 02/08/2019**

Date	Vendor Name	Description	Amount	
2766	02/08/2019	TEAM ONE MANAGEMENT	Janitorial Services / January 2019	776.37
2767	02/08/2019	UNITED SITE SERVICES	Fence Rental for Dog Park / February 2019	77.28
2768	02/08/2019	VISION SERVICE PLAN OF AMERICA	Employee Benefits Program / February 2019	145.09
2769	02/08/2019	WM CURBSIDE, LLC	HHW, Medicine & Sharps Program / January 2019	2,686.00
			<b>Total Bank Debits and Warrants:</b>	<b>\$ 646,913.63</b>
			<b>TOTAL</b>	<b>\$ 646,913.63</b>

**NOTES:**

Note 1 - City Councilmembers are eligible to receive either a salary or vehicle reimbursement allowance in the amount of \$300 per month (\$3,600 per year). Such compensation is included in the City's regular payroll (see "ADP Payroll Services" under "Automatic Bank Debits"), unless waived by the Councilmember. For the month of January 2019, the following Councilmembers received compensation in the amount of \$300: Conners, Hatch, Horne, and Rainey.

Note 2 - Petty cash is reported as cash is paid out.

Note 3 - The table below summarizes credit card expenditures paid via Check #2698 to U.S. Bank totaling \$954.82:

Amazon	Office Supplies	\$15.89
Aldi	Office Supplies	\$39.68
Olive Garden	City Holiday Luncheon	\$282.02
Target	Office Supplies	\$16.15
USPS	Postage	\$6.70
FedEx	Postage	\$24.40
League of CA Cities	Municipal Finance Institute Registration / Cady	\$375.00
GoDaddy.Com	Domain Name Registration	\$169.99
Grainger	Supplies	\$24.99
		<b>Total Credit Card Reimbursement:</b>
		<b>\$954.82</b>

Note 4 - The table below summarizes credit card expenditures paid via Check #2740 to U.S. Bank totaling \$273.81:

Amazon	Office Supplies	\$39.99
J&M Trophies	Plaque Engraving	\$45.71
Governement Financial Officers Association	Webinar Training	\$160.00
FedEx	Postage	\$24.11
OC Parking	Parking	\$4.00
		<b>Total Credit Card Reimbursement:</b>
		<b>\$273.81</b>

**Administrative Services Director/City Treasurer's Certification**

I, Margaret A. Cady, Administrative Services Director / City Treasurer, do hereby certify:

- In accordance with California Government Code Section 37202, I hereby certify to the accuracy of the demands on cash summarized within
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.
- That the City is in compliance with California Government Code Section 27108.

*Margaret A. Cady, Administrative Services Director/City Treasurer*

Margaret A. Cady, Administrative Services Director/City Treasurer

*12/11/18*

Dated

**6.4**  
**TREE PRUNING AND REMOVAL SERVICES**

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**EXTENSION OF THE  
AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN THE  
CITY OF LAGUNA WOODS  
AND  
GREAT SCOTT TREE SERVICE, INC.  
FOR TREE PRUNING AND REMOVAL SERVICES**

This EXTENSION of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was entered into on March 1, 2018, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Great Scott Tree Service, Inc. ("CONSULTANT"), is made and entered into this 28th day of February 2019 by and among CITY and CONSULTANT.

**WHEREAS**, the initial term of the AGREEMENT was for the period between March 1, 2018 and 11:59 p.m. on February 28, 2019; and

**WHEREAS**, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT.

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

1. CITY and CONSULTANT hereby agree to an extension of the AGREEMENT for a period beginning on March 1, 2019 and ending at 11:59 p.m. on March 31, 2019 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

**CONSULTANT:**

By \_\_\_\_\_  
Scott Griffiths, President

**APPROVED AS TO FORM:**

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

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**6.5**

**DOG PARK RELOCATION PROJECT: PHASE 1**

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## TAKEOVER AGREEMENT

This Takeover Agreement (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between United States Fire Insurance Company (the "Surety") and the City of Laguna Woods (the Surety and the City of Laguna Woods shall be referred to collectively as the "Parties").

### RECITALS

**WHEREAS**, the City of Laguna Woods ("Owner") entered into an agreement ("Contract") with Line Tech Contractors, Inc. ("Line Tech") pursuant to which Line Tech was to serve as the general contractor in connection with the project known as "Dog Park Relocation Project: Phase 1" ("Project"); and,

**WHEREAS**, the Surety issued a performance bond (the "Performance Bond") and a payment bond (the "Payment Bond"), each bearing bond no. 602-117842-5, and each in the penal sum amount of \$324,940.00, on behalf of Line Tech, as principal, and in favor of the Owner, as obligee, in connection with the Contract (collectively, the "Bonds"); and,

**WHEREAS**, in or about October 2018, the Owner terminated Line Tech under the Contract and made a demand on Surety to satisfy its obligations under the Performance Bond; and,

**WHEREAS**, the Surety is willing to undertake the completion of the Contract in accordance with the terms of the Performance Bond and this Agreement provided that in doing so the entire unpaid remaining balance of the Contract, including retainage, together with any additional amount of money added to the Contract on account of claims, extra work or changes (the "Remaining Contract Balance") is paid to Surety, as set forth below.

**NOW, THEREFORE**, in consideration of the agreements and undertakings hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### AGREEMENTS

1.0 Incorporation of Whereas Clauses. The precatory ("Whereas") clauses are incorporated herein and made a part of this Agreement.

2.0 Performance of the Work.

2.1 The Surety hereby undertakes to cause the performance of the remaining obligations under and pursuant to the Contract and subsequently approved change orders, including but not limited to the scope of work items as more fully set forth on the attached **Exhibit A** subject to the terms herein (the "Remaining Work"). The Owner represents, warrants and agrees that, save and except for the Remaining Work, no other work relating to the Contract is outstanding and/or was performed unsatisfactorily, and that, upon completion of the Remaining Work, the Performance Bond shall be discharged in its entirety and the original Performance Bond shall be returned to the Surety. Completion of the Remaining Work is an express condition precedent to the discharge of the Performance Bond and the Owner's obligation to return to Surety the original Performance Bond.

2.2 The Surety agrees to perform the Remaining Work and agrees to be bound by the Contract subject to the terms set forth herein. The Contract shall remain in full force and effect and nothing in this Agreement shall reduce, waive or modify the rights and obligations of the Parties except as specifically set forth herein. The Owner acknowledges and agrees that the Surety, by its execution of this Agreement, is acting in its capacity as the surety for Line Tech in making arrangements for the

performance and completion of the Contract, and not as a completing contractor, and that the Surety is not assuming any obligations or liabilities beyond those set forth in the Performance Bond.

2.3 As to the completion of the Contract, except as otherwise provided in this Agreement, the Surety is entitled to all rights, title and interest of Line Tech in and to the Contract in all respects as if the Surety were the original party to the Contract. The term "CONTRACTOR" as used in the Contract shall be deemed, after the effective date of this Agreement, to refer to the Surety rather than to Line Tech. The terms and conditions of the Performance Bond, the Payment Bond and the Contract as of the date of this Agreement shall govern the rights and liabilities of the Parties except as set forth in this Agreement. The Parties agree that: (i) neither the Surety nor its Completion Contractors (defined below) are responsible for any laws, rules, regulations or requirements relating to Minority Business Enterprise, Women Business Enterprise, Disadvantaged Business Enterprise, Disabled Veterans Business Enterprise, Small Business Enterprise or Section 3 license contractors and suppliers, in connection with the completion of the Contract; (ii) section 2.05 of the General Conditions of the Contract is not applicable to the Surety and is hereby waived by the Owner; and (iii) section 4.03 of the General Conditions of the Contract is hereby stricken. Further, section 4.04 of the General Conditions of the Contract is hereby amended to provide as follows: "Officers, officials, employees, agents, representatives and volunteers of the Owner shall not be responsible for any liability under this Contract." Further, section 8.06 of the General Conditions of the Contract is hereby amended to provide as follows: "Officers, officials, employees, agents, representatives and volunteers of the Owner shall not be personally responsible for any liability arising under the Contract."

2.4 Time of Performance. Subject to change order(s), Surety shall commence performing the Remaining Work on the date to be specified in a written "Notice to Proceed" issued by the Owner. The work required to complete the Remaining Work shall begin on the date to commence the Remaining Work specified in the Notice to Proceed and shall run thereafter for eighty (80) working days, subject to time extension(s) or change order(s) that may hereafter be granted in connection with the Contract. Should Surety be delayed in the completion of the Remaining Work because of conditions attributable to the Owner or its representatives, Surety shall be entitled to time extension(s) or change order(s) as permitted by the Contract. Further, the Owner hereby agrees that Line Tech's time to complete all work under the Contract and the Surety's time to complete all of the Remaining Work hereunder are extended through and including eighty (80) working days from the date specified in the Notice to Proceed referenced above.

3.0 Completion Contractors. The Owner acknowledges that the Surety will subcontract the performance of the Remaining Work to one or more completion contractors (the "Completion Contractors"). The Surety shall require that the Completion Contractors be bound by all of the terms, conditions and specifications of the Contract, including, but not limited to, all technical construction specifications.

4.0 Contract Balance. The Owner represents that as of the date of this Agreement the accounting for the Remaining Contract Balance is as follows:

<b>A</b>	<b>Original Contract Amount</b>	\$324,940.00
<b>B</b>	<b>Change Orders</b>	\$36,066.89
<b>C</b>	<b>Credits/Total Agreed Upon Back-charges</b>	\$6,282.50
<b>D</b>	<b>Adjusted Contract Value</b>	\$354,724.39
<b>E</b>	<b>Amount Completed to Date</b>	\$42,793.50
<b>F</b>	<b>Amount Paid to Line Tech to Date</b>	\$40,653.83
<b>G</b>	<b>Retainage Held</b>	\$2,139.68
<b>H</b>	<b>Balance to Complete (D-E)</b>	\$311,930.89
<b>I</b>	<b>Remaining Contract Balance (D-F)</b>	\$314,070.56

As of the date of the execution of this Agreement by the Owner, the Owner represents and warrants that to the best of its information and according to the records available to it, the aforementioned Remaining

Contract Balance (\$314,070.56) is accurate. The Surety reserves the right to verify the accuracy of the Remaining Contract Balance.

5.0 Application of the Remaining Contract Balance. Owner agrees that the Remaining Contract Balance is dedicated to and will be applied to the completion of the Contract pursuant to this Agreement. Owner shall pay directly to the Surety the Remaining Contract Balance, plus or minus any additional amounts of money on account of any modifications requested and authorized by the Owner, by way of check or wire, as set forth below. Payments from the Owner to the Surety under this Agreement shall be made payable to United States Fire Insurance Company and transmitted to the Surety as set forth herein, unless and until Owner is notified by Surety in writing of any different address(es) for delivery of checks or different instructions for wires:

**If by check:**

**Payee:**

United States Fire Insurance Company

**Send to:**

Crum & Forster

Attention: Len Geraci, Director Construction Defect and Surety Claims

305 Madison Avenue

Morristown, NJ 07960

Re: Claim Number NJU00679468

**If by wire:**

[INFORMATION ON-FILE WITH CITY]

5.1 No payment shall be delayed by reason of any slow down or cessation of work in connection with the takeover of the Contract by the Surety as set forth herein or as a result of the default and/or termination of Line Tech. In no event shall the Owner withhold any of the Remaining Contract Balance from the Surety because of or on account of any claims, suits or demands by any persons or entities furnishing or alleging to have furnished labor and/or materials to the Project, it being expressly understood that, to the extent such claims, suits or demands relate to materials and/or services provided by such claimants to Line Tech, the Surety assumes responsibility for such claims, in accordance with the terms and conditions of the Bonds and all applicable defenses.

6.0 Use of Equipment and Materials. Insofar as Owner has any right, title or interest therein, the Owner agrees that the Surety and its Completion Contractors shall have the right to use, without charge, any of the equipment, materials and appurtenances furnished or supplied by Line Tech which may be stored on or about the premises of the Project site or materials which may have been fabricated for use in connection with the Contract, whether or not presently upon the Project site.

7.0 No Waiver of Penal Sum. The total liability of the Surety under this Agreement and the Performance Bond for the performance of the work, after the expenditure of the Remaining Contract Balance, is limited to and shall not exceed the penal sum of the Performance Bond in the amount of

\$324,940.00, less any prior payments properly made under the Performance Bond. All payments properly made by the Surety for the performance of the Contract and not reimbursed to the Surety by the Owner shall be credited dollar for dollar against and shall be deemed to reduce the penal sum of the Performance Bond. Nothing in this Agreement constitutes a waiver of such penal sum or an increase in the liability of the Surety under the Performance Bond.

8.0 Waiver of Damages. Subject to the terms herein, the Owner shall waive as against the Surety, the imposition of all damages, costs, fees and expenses, including, but not limited to, liquidated damages, which have been applied, or could have been applied, against the Contract, Line Tech and/or the Surety, arising out of any delay in the performance of the Contract. Accordingly, the Owner shall not deduct from the Remaining Contract Balance that is being made available to the Surety pursuant to this Agreement any liquidated damages that may be assessable against Line Tech.

9.0 Payment Bond to Remain in Effect. The Payment Bond shall remain in full force and effect in accordance with its terms and provisions. The total liability of the Surety under the Payment Bond is limited to and shall not exceed the penal sum of the Payment Bond in the amount of \$324,940.00. All payments made by the Surety under the Payment Bond shall be credited against the penal sum of the Payment Bond. Nothing in this Agreement constitutes a waiver of such penal sum or an increase in the liability of the Surety under the Payment Bond.

10.0 Reservation of Rights.

10.1 Surety's Reservation of Rights. The Surety reserves all rights, remedies and defenses under the Performance Bond, the Payment Bond or the Contract, at law or in equity. By execution of this Agreement, the Surety does not waive Line Tech's rights under the Contract, which rights are expressly reserved.

10.2 Owner's Reservation of Rights. The Owner reserves all rights, remedies and defenses that it may have under the Contract, under the Bonds and at law, except as otherwise set forth herein. The Owner further specifically reserves all rights, remedies, claims and defenses that it might have under the Contract as against Line Tech.

10.3 Surety's Indemnity Rights. The execution of this Agreement shall in no way waive or affect any of the Surety's rights against Line Tech, or any of its indemnitors, under any applicable indemnity agreement(s), at law or in equity. Nothing contained herein shall be deemed a waiver of the Surety's right to pursue recovery against Line Tech of any and all amounts expended by the Surety hereunder or otherwise.

11.0 Notices. Any notices which are required to be given by the terms of the Contract, this Agreement or the Bonds shall be made as follows:

The City of Laguna Woods: Christopher Macon  
City of Laguna Woods  
24264 El Toro Road  
Laguna Woods, CA 92637

With a copy to: David B. Cosgrove  
Rutan & Tucker  
611 Anton Boulevard, 14<sup>th</sup> Floor  
Costa Mesa, CA 92626

Surety: Steven Krumm, P.E.  
Crum & Forster  
1600 Market Street  
Suite 1410

Philadelphia, PA 19103

With a copy to:  
(which shall not  
constitute notice)

Michael R. Morano, Esq.  
McElroy, Deutsch, Mulvaney & Carpenter, LLP  
1300 Mount Kemble Avenue  
P. O. Box 2075  
Morristown, NJ 07962-2075  
(973) 993-8100  
(973) 425-0161 Fax

12.0 Effective Date. The Effective Date of this Agreement shall be the date on which this Agreement has been executed by all Parties.

13.0 No Joint Venture or Partnership Created. The relationship between the Parties shall be limited to the performance of this Agreement, which shall be construed and be deemed to be a specific arrangement for the performance of the Contract only. Nothing herein contained shall be construed to constitute the Parties as partners or joint venturers or to constitute either as general agent of the other.

14.0 Choice of Law/Venue. All rights and obligations hereunder, including matters of construction, validity and performance shall be governed by the laws of the State of California, without regard to conflicts of law principles. Any action or suit brought with respect to this Agreement or any breach thereof shall be commenced and pursued in a single proceeding only in the Federal and/or State courts of the State of California.

15.0 Entire Agreement. This Agreement constitutes the whole of the understanding, discussions, and agreements by and between the Parties. The terms and provisions of this Agreement are contractual and not mere recitals. The Parties acknowledge that there have been no oral, written or other agreements of any kind as a condition precedent to or to induce the execution and delivery of this Agreement. Any written or oral discussions conducted prior to or contemporaneously with the effective date of this Agreement shall not in any way vary or alter the terms of this Agreement.

16.0 Modifications. The modification, amendment and/or waiver of this Agreement, or of any of the provisions of this Agreement, shall not become effective unless executed in writing by the party to be charged with such modification, amendment and/or waiver in each case by a duly authorized representative.

17.0 Severability. In the event that one or more provisions of this Agreement shall be declared to be invalid, illegal or unenforceable in any respect, unless such invalidity, illegality or unenforceability shall be tantamount to a failure of consideration, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby.

18.0 Successors and Assigns. This Agreement shall be binding upon the Parties and their respective successors and assigns.

19.0 No Third-Party Rights. This Agreement is solely for the benefit of the Parties hereto. The Parties do not intend, and no provision herein shall be construed, to create any third-party beneficiaries, or to confer any benefit, or enforceable rights hereunder, upon anyone other than the parties hereto.

20.0 Rules of Construction. Should any provision of this Agreement require interpretation or construction, the parties hereto agree that the court, administrative body, or other entity interpreting or construing this Agreement shall not apply a presumption that the provisions herein shall be more strictly construed against one party by reason of the rule of construction that the provisions of a document shall be more strictly construed against the party who itself or through its representatives prepared same; it being agreed that the parties and their respective attorneys have fully participated in the preparation of all provisions of this Agreement.

21.0 No Admission of Liability. Nothing contained herein shall be deemed an admission of liability on the part of any party to this Agreement.

22.0 No Waiver. The failure of either party to exercise in any respect a right provided for in this Agreement shall not be deemed a waiver subsequent waiver of the same right or of any other right.

23.0 All Rights are Cumulative. All rights and remedies hereunder are cumulative.

24.0 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

25.0 Numbers. Words shall take precedence over numerals in the event of a discrepancy.

26.0 Facsimile and Email Signatures. Signatures transmitted by facsimile or email shall be accepted and deemed to be original signatures and shall be binding on the parties upon signing.

27.0 Counterparts/Originals. This Agreement shall become effective when executed by all Parties and may be executed in counterparts, any one of which shall be deemed to be an original instrument. Any proof of the Agreement shall require production of only one such counterpart duly executed by the party to be charged therewith. PDF copy or facsimile copy of signatures shall be deemed original signatures.

28.0 Authority to Execute. Each of the undersigned individuals represent, warrant and certify that they are authorized to execute this Agreement in the capacity indicated.

29.0 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY RELATING TO ANY DISPUTE OR CONTROVERSY INVOLVING THIS AGREEMENT.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date indicated above, and each of the undersigned personally represent and warrant that they have the full right, power and authority to execute this Agreement on behalf of the respective Parties.

[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE ON THE NEXT PAGE]

**THE CITY OF LAGUNA WOODS**

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

[NOTARY ACKNOWLEDGEMENT ATTACHED]

APPROVED AS TO FORM:

\_\_\_\_\_  
RUTAN & TUCKER

**UNITED STATES FIRE INSURANCE COMPANY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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**8.1**  
**BUDGETING, RESERVES, AND REPORTING**  
**POLICY**

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# City of Laguna Woods

## Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** February 20, 2019 Regular Meeting

**SUBJECT:** Budgeting, Reserves, and Reporting Policy

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### **Recommendation**

Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING AMENDMENTS TO ADMINISTRATIVE POLICY 2.9 PERTAINING TO BUDGETING, RESERVES, AND REPORTING

### **Background**

The City Council initially adopted Administrative Policy 2.9, which establishes the City's budgeting, reserves, and reporting policies, in November 2010. The policy was last modified on June 20, 2018.

### **Discussion**

Today's meeting is an opportunity for City Council action, as well as public input, on proposed amendments to Administrative Policy 2.9 pertaining to budgeting, reserves, and reporting (attachments A and B). Staff recommends that the City Council adopt the proposed resolution (Attachment A) in order to ensure that the framework for the development of the budget and budget-related reporting reflects the City Council's goals, priorities, and expectations. This action is being sought as staff begins work on the Fiscal Years 2019-21 Budget & Work Plan.

Significant proposed amendments include, but are not limited to, the following:

- Specification of a goal of maintaining an at least 80% funded level for all California Public Employees' Retirement System (CalPERS) pension plans. [Note: On September 26, 2018, the City Council approved lump sum payments that caused the City's pension plans to be fully funded according to the most current actuarial projections<sup>1</sup>. Actuarial projections are updated annually with future liabilities expected to increase as demographics change and CalPERS completes the phase-in of its discount rate reduction.]
- Expansion of quarterly budget reporting requirements to include information regarding any change in revenue projections or anticipated expenditures that is likely to impact the ability to carry out budgeted activities. The existing administrative policy requires only that information regarding changes in revenue projections be included when likely to result in the receipt of any ongoing revenue in an amount 10% or lower than the amount budgeted.

Other proposed amendments seek to ensure clarity and, in the case of a reference to the City's Pavement Management Plan, correct a typographical error.

### **Fiscal Impact**

While the proposed amendments to Administrative Policy 2.9 would contribute to the prudent management of the City's finances, there would be no direct fiscal impact. The City Council would continue to exercise discretion as to the scope and nature of the budgets that it adopts, including any payments to CalPERS for the purpose of achieving specified funded level goals.

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

Attachments: A – Proposed Resolution  
                  Exhibit A – Proposed Budgeting, Reserves, and Reporting Policy  
                  B – Proposed Budgeting, Reserves, and Reporting Policy (redline)

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<sup>1</sup> The City's pension plans are fully funded according to the most current actuarial projections dated September 6, 2018, provided that the City continues to pay its Fiscal Year 2018-19 unfunded accrued liability contributions to CalPERS.

**RESOLUTION NO. 19-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING AMENDMENTS TO ADMINISTRATIVE POLICY 2.9 PERTAINING TO BUDGETING, RESERVES, AND REPORTING

**WHEREAS**, the City’s budgeting, reserves, and reporting policy is contained in Administrative Policy 2.9 and was last modified by the City Council on June 20, 2018; and

**WHEREAS**, City staff has prepared amendments to Administrative Policy 2.9 for consideration by the City Council (incorporated into the administrative policy attached hereto as Exhibit A), which generally include (1) specification of a funded level goal for all California Public Employees’ Retirement System pension plans, (2) expansion of quarterly budget reporting requirements, (3) clarifications of existing policy, and (4) a typographical correction.

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

**SECTION 1.** That the administrative policy attached hereto as Exhibit A is approved and is a statement of the City’s budgeting, reserves, and reporting policy. The administrative policy attached hereto as Exhibit A replaces and supersedes all previous versions of Administrative Policy 2.9.

**SECTION 2.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2019.

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CYNTHIA CONNERS, Mayor

ATTEST:

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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. 19-XX** was duly adopted  
by the City Council of the City of Laguna Woods at a regular meeting thereof, held  
on the XX day of XX 2019, by the following vote:

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

---

YOLIE TRIPPY, Deputy City Clerk

**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, as well as related financial reporting.

**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 biennial fiscal years budget to the City Council no later than June 30 of each odd-numbered year.

**2.9.03. Budget Adoption.**

The City Council shall adopt a budget for the upcoming two fiscal years no later than June 30 of each odd-numbered 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 law and Generally Accepted Accounting Principles (GAAP) for municipal governments on a modified accrual basis.
2. The budget shall be adopted at the fund level. Sufficient detail shall be provided in accompanying narrative to describe significant programs, projects, and services, as well as employee staffing levels.
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 analysis of the two largest sources of ongoing General Fund revenue – property tax and sales tax.

## ITEM 8.1 – Exhibit A to Attachment A

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, an 11-year Capital Improvement Program (CIP) for “major capital improvements projects” shall be adopted as a part of each budget. To comply with Orange County Transportation Authority requirements for maintaining eligibility to receive Measure M2 funds, a CIP shall also be adopted at each fiscal year intervening biennial budget adoptions. The adoption of intervening CIPs may also necessitate amendment of adopted budgets. A “major capital improvement project” is any project that meets the definition of a “public project” in California Public Contracts Code Section 22002, 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 10-year Pavement Management Plan.
9. While the first two years of the 11-year CIP are 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 and non-operating project budgets, which shall be automatically carried over until the project is completed, carryovers of budget appropriations between fiscal years require approval of the City Council. All carryovers of budget appropriations between fiscal years shall be finalized and all necessary accounting entries made within 60 days of the submission of each Comprehensive Annual Financial Report to the City Council. Once a CIP or non-operating project is completed, the balance remaining within the budget shall be automatically returned to the fund from which it originated.

#### **2.9.05. Budget Adjustments.**

During fiscal years, 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.

The City shall evaluate the adequacy of the overall target for committed and assigned reserves and individual targets by reserve category contained in this Administrative Policy at least as frequently as each biennial budget development process. In doing so, the City shall consider current and future risk and funding obligations that may impact reserve levels, as well as best practices established by the Government Finance Officers Association and other authoritative entities.

The time and method for replenishment of reserves shall be defined following use thereof, based on the category of reserve, reason required, amount used, and other relevant factors. The City shall strive to replenish reserve balances within 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 at least 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 (e.g., the payment of accrued paid leave upon the retirement or resignation of an employee). The Administrative Services Director/City Treasurer shall notify the City Council of all expenditures made from the Paid Leave Contingency Fund as a part of the quarterly budget reporting described in Section 2.9.09.

##### *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 Administrative Services Director/City Treasurer shall notify the City Council of all expenditures made from the Self-Insurance Contingency Fund as a part of the quarterly budget reporting described in Section 2.9.09. Expenditures from the Self-Insurance Contingency Fund in excess of \$50,000 per individual 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. Unfunded Accrued Liability for Retirement Plans.**

The City shall consider making lump sum payments to reduce unfunded accrued liability for California Public Employees' Retirement System (CalPERS) pension plans at least as frequently as each biennial budget development process. The City shall strive to maintain an at least 80% funded level for all CalPERS pension plans.

#### **2.9.08. Other Post-Employment Benefits Trust Fund.**

The City shall maintain an irrevocable Internal Revenue Code Section 115 trust fund to prefund other post-employment benefit (OPEB) liability incurred as a result of state-mandated retiree medical obligations. The City shall strive to maintain an at least 80% prefunding level calculated at least as frequently as CalPERS requires employers to prepare actuarial valuations of OPEB liability for participation in the

California Employers’ Retiree Benefit Trust Fund. 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.

**2.9.09. Reporting.**

1. The Administrative Services Director/City Treasurer shall prepare and submit a Comprehensive Annual Financial Report (CAFR) with each of the sections prescribed by GASB, including an independent audit performed by a qualified firm, to the City Council within eight months of the end of each fiscal year. The City shall strive for submission of the CAFR to the City Council within six months of the end of each fiscal year and an unqualified audit opinion.
2. The Administrative Services Director/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; information regarding any change in revenue projections or anticipated expenditures that is likely to impact the ability to carry out budgeted activities; and, notification of all expenditures made from the Paid Leave Contingency Fund and Self-Insurance Contingency Fund during the subject quarter.
3. The Administrative Services Director/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.

**2.9.10. 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 Administrative Services Director/City Treasurer shall advise the City Council of any contradictions of federal or state law for consideration during each biennial budget development process.

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City Council Adoption: February XX, 2019

**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, [as well as related financial reporting](#).

**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 biennial fiscal years budget to the City Council no later than June 30, ~~2017, and every two years thereafter~~ [of each odd-numbered year](#).

**2.9.03. Budget Adoption.**

The City Council shall adopt a budget for the upcoming two fiscal years no later than June 30, ~~2017, and every two years thereafter~~ [of each odd-numbered 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 level. Sufficient detail shall be provided in accompanying narrative to describe significant programs, projects, and services, as well as employee staffing levels.
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, an 11-year Capital Improvement Program (CIP) for “major capital improvements projects” shall be adopted as a part of each budget. To comply with Orange County Transportation Authority requirements for maintaining eligibility to receive Measure M2 funds, a CIP shall also be adopted at each fiscal year intervening biennial budget adoptions. The adoption of intervening CIPs may also necessitate amendment of adopted budgets. A “major capital improvement project” is any project that meets the definition of a “public project” in California Public Contracts Code Section 22002, 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 ~~11~~10-year Pavement Management Plan.

9. While the first two years of the 11-year CIP are 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 and non-operating project budgets, which shall be automatically carried over until the project is completed, carryovers of budget appropriations between fiscal years require approval of the City Council. All carryovers of budget appropriations between fiscal years shall be finalized and all necessary accounting entries made within 60 days of the ~~date that each submission of each~~ Comprehensive Annual Financial Report ~~is submitted~~ to the City Council. Once a CIP or non-operating project is completed, the balance remaining within the budget shall be automatically returned to the fund from which it originated.

#### **2.9.05. Budget Adjustments.**

During fiscal years, 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, to maintain consistency with Section 2.9.06 of this Administrative Policy.~~

The City shall evaluate the adequacy of the overall target for committed and assigned reserves and individual targets by reserve category contained in this Administrative Policy at least as frequently as each biennial budget development process. In doing so, the City shall consider current and future risk and funding obligations that may impact reserve levels, as well as best practices established by the Government Finance Officers Association and other authoritative entities.

The time and method for replenishment of reserves shall be defined following use thereof ~~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~~ The City shall strive to replenish reserve balances 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 at least 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~~ Administrative Services Director/City Treasurer shall notify the City Council of all expenditures made from the Paid Leave Contingency Fund as a part of the quarterly budget reporting described in Section 2.9.09.

#### *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~~ Administrative Services Director/City Treasurer shall notify the City Council of all expenditures made from the Self-Insurance Contingency Fund as a part of the quarterly budget reporting described in Section 2.9.09. Expenditures from the Self-Insurance Contingency Fund in excess of \$50,000 per individual 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. Unfunded Accrued Liability for Retirement Plans.**

The City shall consider making lump sum payments to reduce unfunded accrued liability for California Public Employees' Retirement System (CalPERS) pension plans at least as frequently as each biennial budget development process. [The City shall strive to maintain an at least 80% funded level for all CalPERS pension plans.](#)

### **2.9.08. 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.~~

The City shall maintain an irrevocable Internal Revenue Code Section 115 trust fund to prefund other post-employment benefit (OPEB) liability incurred as a result of state-mandated retiree medical obligations. The City shall strive to maintain an at least 80% prefunding level calculated at least as frequently as CalPERS requires employers to prepare actuarial valuations of OPEB liability for participation in the California Employers' Retiree Benefit Trust Fund. 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.

### **2.9.09. Reporting.**

1. The Administrative Services Director/City Treasurer shall prepare and submit a Comprehensive Annual Financial Report (CAFR) with each of the sections prescribed by GASB, ~~which shall also include~~ including an independent audit performed by a certified public accounting-qualified 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 of the CAFR to the City Council within six months of the end of each fiscal year and an unqualified audit opinion.

2. The [Administrative Services Director](#)/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; information regarding any change in [revenue](#) projections [or anticipated expenditures](#) ~~that is likely to result in the receipt of any ongoing revenue in an amount that is likely to impact the ability to carry out budgeted activities~~ [10% or lower than the amount budgeted](#); and, notification of all expenditures made from the Paid Leave Contingency Fund and Self-Insurance Contingency Fund during the subject quarter.
3. The [Administrative Services Director](#)/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.

#### **2.9.10. 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 [Administrative Services Director](#)/City Treasurer shall advise the City Council of any contradictions of federal or state law for consideration during each [biennial](#) budget development process.

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City Council Adoption: ~~June 20, 2018~~ [February XX, 2019](#)

**8.2**  
**CITY COUNCIL MEETING SCHEDULE**  
**(NO REPORT)**

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