

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Adjourned Regular Meeting
Wednesday, April 7, 2021
2:00 p.m.

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

Shari L. Horne
Mayor

Carol Moore
Mayor Pro Tem

Cynthia Conners
Councilmember



Noel Hatch
Councilmember

Ed H. Tao
Councilmember

Welcome to a meeting of the Laguna Woods City Council!

This meeting may be recorded, televised, and made publicly 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.

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AFFIDAVIT OF POSTING

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

I, Yolie Trippy, 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); 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, CMC, City Clerk

4-2-21

Date

NOVEL CORONAVIRUS (COVID-19) NOTICE

Please consider participating in this City Council meeting remotely. Written public comments may be submitted via email (cityhall@cityoflagunawoods.org) or by mail (Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637), provided that they are received by the City prior to 2:00 p.m. on the day of the meeting. Written public comments may be read or summarized to the City Council at the meeting, and parties submitting comments should be aware that their email addresses and any information submitted may be disclosed or become a matter of public record. No party should expect privacy of such information.

Please exercise caution when attending City Council meetings. If you do attend this meeting, please maintain a distance of six feet or more between yourself and others, wash your hands with soap and water before and after the meeting, and refrain from handshaking and other physical contact.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 Denouncing Hate Crimes, Hateful Rhetoric, and Hateful Acts

Recommendation: Approve the proclamation.

4.2 Donate Life Month – April 2021

Recommendation: Approve and present the proclamation.

V. PUBLIC COMMENTS

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

VI. CONSENT CALENDAR

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

6.1 City Council Minutes

Recommendation: Approve the City Council meeting minutes for the regular meeting on February 17, 2021.

6.2 Fiscal Years 2019-21 Budget Adjustments

Recommendation:

1. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 21-07, AND AMENDING AND ADOPTING THE FISCAL YEARS 2019-21 BUDGET AND WORK PLAN FOR FISCAL YEAR 2019-20 COMMENCING JULY 1, 2019 AND ENDING JUNE 30, 2020, AND FISCAL YEAR 2020-21 COMMENCING JULY 1, 2020 AND ENDING JUNE 30, 2021, RELATED TO ADJUSTMENTS OF PEG/CABLE TELEVISION FUND APPROPRIATIONS FOR THE CITY HALL TELEVISION BROADCAST IMPROVEMENT PROJECT, AND FEDERAL GRANTS FUND APPROPRIATIONS FOR THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

AND

2. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2019-21 BUDGET AND WORK PLAN FOR FISCAL YEAR 2019-20 COMMENCING

JULY 1, 2019 AND ENDING JUNE 30, 2020, AND FISCAL YEAR 2020-21 COMMENCING JULY 1, 2020 AND ENDING JUNE 30, 2021, RELATED TO ADJUSTMENTS OF USED OIL/OIL PAYMENT PROGRAM FUND APPROPRIATIONS AND CLOSURE OF THE USED OIL/OIL PAYMENT PROGRAM FUND

6.3 Annual Audit Services

Recommendation: Approve an agreement with Brown Armstrong Accountancy Corporation for annual audit services and authorize the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

VII. PUBLIC HEARINGS

VIII. CITY COUNCIL BUSINESS

8.1 State of Local Emergency (COVID-19)

Recommendation: Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, TERMINATING THE EFFECT OF THE PROCLAMATION OF THE EXISTENCE OF A LOCAL EMERGENCY THAT WAS ISSUED BY THE DIRECTOR OF EMERGENCY SERVICES ON MARCH 19, 2020 AND THEN RATIFIED AND CONTINUED IN EFFECT BY THE CITY COUNCIL ON MARCH 24, 2020, MAY 11, 2020, JUNE 30, 2020, AUGUST 27, 2020, OCTOBER 21, 2020, DECEMBER 16, 2020, AND FEBRUARY 8, 2021, PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 8630

8.2 Fiscal Years 2021-23 Budget and Work Plan & Fiscal Years 2021-32 Capital Improvement Program Development

Recommendation: Discuss and provide direction to staff.

8.3 California Employers' Pension Prefunding Trust

Recommendation:

1. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING AN AGREEMENT AND ELECTION TO PREFUND EMPLOYER CONTRIBUTIONS TO A DEFINED BENEFIT PENSION PLAN THROUGH THE CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND CONTROLLED BY THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) USING AN INTERNAL REVENUE CODE SECTION 115 IRREVOCABLE TRUST AND AUTHORIZING THE EXECUTION OF THE AGREEMENT AND ELECTION, AS WELL AS OTHER RELATED DOCUMENTS AND CERTIFICATIONS

AND

2. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DELEGATING AUTHORITY TO REQUEST DISBURSEMENTS FROM THE INTERNAL REVENUE CODE SECTION 115 IRREVOCABLE TRUST USED TO PREFUND EMPLOYER CONTRIBUTIONS TO A DEFINED BENEFIT PENSION PLAN THROUGH THE CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND CONTROLLED BY THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)

8.4 City Hall/Public Library Project

Recommendation:

1. Discuss and provide direction to staff.

AND

2. Authorize the City Manager to execute an amendment to the agreement with OBRArchitecture, Inc. for City Hall/Public Library Project architectural services in order to complete a partial redesign of the project affecting architectural, electrical, fire alarm, information technology, mechanical, plumbing, and structural features, in an amount not to exceed \$50,000, subject to approval as to form by the City Attorney.

AND

3. Appoint two members of the City Council to an Ad Hoc Library Aesthetics Committee beginning immediately through June 30, 2021 to work with staff to (1) select finish materials and (2) provide input on the design of the outdoor activity space for the City Hall/Public Library Project.

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
Councilmember Connors; Alternate: Councilmember Tao
- 9.2 Orange County Fire Authority
Councilmember Hatch
- 9.3 Orange County Library Advisory Board
Mayor Pro Tem Moore; Alternate: Councilmember Tao
- 9.4 Orange County Mosquito and Vector Control District
Mayor Horne

- 9.5 San Joaquin Hills Transportation Corridor Agency
Councilmember Conners; Alternate: Mayor Pro Tem Moore
- 9.6 South Orange County Watershed Management Area
Mayor Pro Tem Moore; Alternate: Councilmember Hatch
- 9.7 Other Comments and Reports

X. CLOSED SESSION

XI. CLOSED SESSION REPORT

XII. ADJOURNMENT

Next Adjourned Regular Meeting: Wednesday, May 5, 2021 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

Next Regular Meeting: Wednesday, May 19, 2021 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

4.1
**DENOUNCING HATE CRIMES, HATEFUL
RHETORIC, AND HATEFUL ACTS**

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Proclamation of the City of Laguna Woods Denouncing Hate Crimes, Hateful Rhetoric, and Hateful Acts

WHEREAS, Laguna Woods is home to a diverse community comprised of persons of varying race, color, national origin, ancestry, and religion; and

WHEREAS, Orange County's Asian American and Pacific Islander population is one of the largest in the nation, representing over 20% of all residents; and

WHEREAS, Orange County has experienced an alarming and unacceptable upsurge in anti-Asian sentiment with OC Human Relations reporting a 10-fold increase in the number of hate incidents and crimes against Asian Americans in 2020; and

WHEREAS, Black, Indigenous, and other People of Color (BIPOC) groups, including Asian Americans and immigrants from around the world, are a part of and contribute greatly to the rich fabric and vitality of Laguna Woods; and

WHEREAS, the City of Laguna Woods remains committed to embracing diversity and ensuring that all persons feel safe and welcome in Laguna Woods.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby denounce all hate crimes, hateful rhetoric, and hateful acts against Asian Americans and all other persons. Individuals are encouraged to report hate crimes to both the Orange County Sheriff's Department and OC Human Relations.

Dated this 7th day of April, 2021

Shari L. Horne
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.2
DONATE LIFE MONTH – APRIL 2021

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**Proclamation
City of Laguna Woods
Donate Life Month
April 2021**

WHEREAS, organ, tissue, blood, and marrow donations are life-giving acts recognized worldwide as expressions of compassion to those in need; and

WHEREAS, more than 107,000 people, nationwide, and nearly 22,000 in California, are awaiting a heart, liver, lung, kidney, or pancreas transplant; and

WHEREAS, approximately 17 people die each day while waiting for a transplant; and

WHEREAS, a single organ donor can save the lives of up to eight people and improve the lives of as many as 75 more by donating corneas and tissue; and

WHEREAS, kidney, liver, blood, and marrow donations can be made while living, and other donations can be made after death; and

WHEREAS, millions of lives are saved, healed, and enhanced each year by a diverse group of organ, tissue, marrow, and blood donors, including older adults.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim April 2021 as “Donate Life Month” in the City of Laguna Woods and encourages its residents to consider making living donations, as well as signing up as donors with the state-authorized Donate Life California Registry.

Dated this 7th day of April, 2021

Shari L. Horne
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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6.0
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: April 7, 2021 Adjourned Regular Meeting

SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the April 7, 2021 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 April 7, 2021 Consent Calendar contains the following items:

- 6.1 Approval of the City Council meeting minutes for the regular meeting on February 17, 2021.
- 6.2 [1] Adoption of a resolution repealing Resolution No. 21-07, and amending and adopting the Fiscal Years 2019-21 Budget and Work Plan for Fiscal Year 2019-20 commencing July 1, 2019 and ending June 30, 2020, and Fiscal Year 2020-21 commencing July 1, 2020 and ending June 30, 2021, related to adjustments of PEG/Cable Television Fund appropriations for the City Hall Television Broadcast Improvement Project, and Federal Grants

Fund appropriations for the Coronavirus Aid, Relief, and Economic Security Act (Attachment A). The City Council adopted a similar resolution (No. 21-07) at the regular meeting on March 17, 2021. Due to typographical errors and the need for increased Fiscal Year 2020-21 appropriations for the PEG/Cable Television Fund, staff recommends that the proposed resolution be adopted in place of Resolution No. 21-07. The proposed resolution would increase Fiscal Year 2020-21 appropriations for the PEG/Cable Television Fund by \$3,668 and the Federal Grants Fund by \$1,411.

AND

[2] Adoption of a resolution amending and adopting the Fiscal Years 2019-21 Budget and Work Plan for Fiscal Year 2019-20 commencing July 1, 2019 and ending June 30, 2020, and Fiscal Year 2020-21 commencing July 1, 2020 and ending June 30, 2021, related to adjustments of Used Oil/Oil Payment Program Fund appropriations and closure of the Used Oil/Oil Payment Program Fund (Attachment B). The proposed resolution would increase Fiscal Year 2020-21 appropriations for the Used Oil/Oil Payment Program Fund in the amount of \$5,350 in order to enable final disposition of the remaining fund balance, which may include remittance to the State of California. The proposed resolution would also authorize staff to close the Used Oil/Oil Payment Program Fund effective June 30, 2021, provided the remaining fund balance has been fully expended.

- 6.3 Approval of an agreement with Brown Armstrong Accountancy Corporation for annual audit services and authorization for the Mayor to execute the agreement, subject to approval as to form by the City Attorney. The Request for Proposals (“RFP”) for annual audit services was released on January 28, 2021 with proposals due by February 19, 2021. Five proposals were received (Brown Armstrong Accountancy Corporation; CliftonLarsonAllen; Lance, Soll & Lunghard; Moss, Levy & Hartzheim; and, Rogers, Anderson, Malody & Scott). After reviewing all proposals and interviewing three firms, the Ad Hoc Auditor Selection Committee (Councilmembers Hatch and Tao) and staff recommend that the City Council award the agreement to Brown Armstrong Accountancy Corporation due to factors including, but not limited to, cost, experience, and understanding of the City’s needs. Brown Armstrong Accountancy Corporation provided annual audit services to the City from May 1, 2018 to December 31, 2020, and provides or has provided similar services for the cities of Bakersfield, Fresno, Paso Robles, and St. Helena, as well as the County of Merced.

6.1
CITY COUNCIL MINUTES

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**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
REGULAR MEETING
February 17, 2021
2:00 P.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637**

I. CALL TO ORDER

Mayor Horne called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:04 p.m.

II. ROLL CALL

COUNCILMEMBER: PRESENT: Conners, Hatch, Tao, Moore, Horne
 ABSENT: -

All Councilmembers participated via teleconference as permitted by Governor Newsom's Executive Order N-29-20 (dated March 17, 2020).

STAFF PRESENT: City Manager Macon, City Attorney Cosgrove, City Clerk Trippy

City Manager Macon participated in-person at the meeting location.

City Attorney Cosgrove and City Clerk Trippy participated via teleconference.

III. PLEDGE OF ALLEGIANCE

Councilmember Hatch led the pledge of allegiance.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

Mayor Horne briefly commented on a COVID-19 vaccination clinic at Laguna Woods Village Clubhouse 7.

V. PUBLIC COMMENT

Mark Monin, resident, expressed his support for a second fire station in Laguna Woods and commented on an injured firefighter being released from the hospital.

VI. CONSENT CALENDAR

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

unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.6. This vote was conducted by roll call.

6.1 City Council Minutes

Approved the City Council meeting minutes for the adjourned regular meeting on January 15, 2021 and the special meeting on February 8, 2021.

6.2 City Treasurer’s Report

Received and filed the City Treasurer’s Report for the month of January 2021.

6.3 Warrant Register

Approved the warrant register dated February 17, 2021 in the amount of \$658,669.02.

6.4 City Engineering and Traffic Operations Services

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an extension of the agreement with CivilSource, Inc. for city engineering and traffic operations services and authorized the Mayor to execute the extension, subject to approval as to form by the City Attorney.

6.5 Street, Right-of-Way, and Infrastructure Maintenance Services

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an extension of the agreement with PV Maintenance, Inc. for street, right-of-way, and infrastructure maintenance services and authorized the Mayor to execute the extension, subject to approval as to form by the City Attorney.

6.6 Pavement Management Plan Project (Eastbound El Toro Road between Church Intersection and Moulton Parkway, Westbound El Toro Road between Willow Tree Center and Moulton Parkway)

1. Approved final record plans and specifications reflecting completion of the “Pavement Management Plan Project (Eastbound El Toro Road between Church Intersection and Moulton Parkway, Westbound El Toro Road between Willow Tree Center and Moulton Parkway)”.

AND

2. Accepted project completion of the contract agreement with Hardy & Harper, Inc. for the “Pavement Management Plan Project (Eastbound El Toro Road between Church Intersection and Moulton Parkway, Westbound El Toro Road between Willow Tree Center and Moulton Parkway)”.

AND

3. Release contract retention in the amount of \$9,613.60 withheld per California Government Code 35 days following recordation of the Notice of Completion with the County of Orange, provided no Stop Notices are on file with the City preventing the release of the contract retention.

AND

4. Exonerate project posted bonds 35 days following recordation of the Notice of Completion with the County of Orange.

VII. PUBLIC HEARINGS

- 7.1 Conditional Use Permit CUP-1498, a proposal to amend Conditional Use Permit CUP-1128, which allows for the sale of alcoholic beverages for on-site and off-site consumption at 24165 Paseo de Valencia, Laguna Woods, CA 92637 (currently Mother’s Market and Kitchen, Inc.)

City Manager Macon made a presentation.

Mayor Horne opened the public hearing.

With no one requesting to speak, Mayor Horne closed the public hearing.

Councilmembers discussed the item. Staff and Deborah Rubino, on behalf of the applicant (Mother’s Market and Kitchen, Inc.), answered related questions.

Moved by Councilmember Hatch, seconded by Councilmember Tao, and carried unanimously on a 5-0 vote, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT CUP-1498 TO AMEND CONDITIONAL USE PERMIT CUP-1128 REGARDING THE SALE OF ALCOHOLIC BEVERAGES FOR ON-SITE AND OFF-SITE CONSUMPTION AT 24165 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637, AND DETERMINING THAT THE CONDITIONAL USE PERMIT IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY

ACT PURSUANT TO SECTION 15301 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

This vote was conducted by roll call.

7.2 Traffic Violator Apprehension Program Fee

City Manager Macon made a presentation.

Mayor Horne opened the public hearing.

With no one requesting to speak, Mayor Horne closed the public hearing.

Councilmembers discussed the item. Staff and Sergeant Elali, Orange County Sheriff's Department, answered related questions.

In response to a question from Councilmember Tao, City Manager Macon indicated that staff would provide information to councilmembers regarding the types of violations resulting in vehicle impounds.

Moved by Councilmember Hatch, seconded by Councilmember Tao, and carried unanimously on a 5-0 vote, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 01-11; ADOPTING A MODIFIED ADMINISTRATIVE FEE TO RECOVER NO MORE THAN THE ORANGE COUNTY SHERIFF'S DEPARTMENT'S REASONABLE ADMINISTRATIVE COSTS RELATING TO THE REMOVAL, IMPOUND, STORAGE, OR RELEASE OF VEHICLES PROPERLY IMPOUNDED PURSUANT TO THE CALIFORNIA VEHICLE CODE ("TRAFFIC VIOLATOR APPREHENSION PROGRAM FEE"); AND, DETERMINING THAT THE FEE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

This vote was conducted by roll call.

7.3 California Public Employees' Retirement System Contract

City Manager Macon made a presentation.

Mayor Horne opened the public hearing.

With no requests to speak, Mayor Horne closed the public hearing.

Councilmembers discussed the item and staff answered related questions.

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

1. Adopt a resolution entitled:

A RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL CITY OF LAGUNA WOODS

AND

2. Approve the introduction and first reading of an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AND

3. Receive and file job classifications containing representative definitions and essential duties for the groups of employees proposed to be excluded from membership in the California Public Employees' Retirement System prospectively from the effective date of the proposed amendment to the contract between the City Council and the Board of Administration of the California Public Employees' Retirement System (Student Intern, Fire Clerk, Receptionist, Cashier, Street Sweeping Operator, Waste Collection Worker, Crossing Guard, and Security Guard).

This vote was conducted by roll call.

VIII. CITY COUNCIL BUSINESS

8.1 Automated External Defibrillator Regulations

City Manager Macon made a presentation.

Moved by Councilmember Hatch, seconded by Councilmember Conners, 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, ADDING CHAPTER 10.05 TO THE

LAGUNA WOODS MUNICIPAL CODE RELATED TO AUTOMATED
EXTERNAL DEFIBRILLATORS

This vote was conducted by roll call.

8.2 Temporary Shade Structure (Commercial) Building Permit Fee

Mayor Horne summarized the agenda item.

Moved by Councilmember Hatch, seconded by Councilmember Conners, and carried unanimously on a 5-0 vote, to waive the temporary shade structure (commercial) building permit fee of \$284 through June 30, 2021. This vote was conducted by roll call.

8.3 City Hall/Public Library Project

City Manager Macon made a presentation and responded to related questions.

Councilmembers discussed the item and provided feedback to staff regarding the proposed design concept to replace the existing design concept.

Moved by Councilmember Hatch, seconded by Mayor Pro Tem Moore, and carried unanimously on a 5-0 vote, to reject all bids received for the “City Hall/Public Library Project” (bid opening date of December 3, 2020). This vote was conducted by roll call.

The City Council expressed consensus support to proceed with redesign of the project based on the proposed design concept presented.

Councilmember Hatch made comments.

IX. CITY COUNCIL REPORTS AND COMMENTS

9.1 Coastal Greenbelt Authority

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

9.2 Orange County Fire Authority

Councilmember Hatch provided a report and responded to a question from Mayor Pro Tem Moore regarding a fire.

9.3 Orange County Library Advisory Board

Mayor Pro Tem Moore shared excerpts from OC Public Libraries’ 2020 Library Advisory Board Handbook and provided a report.

9.4 Orange County Mosquito and Vector Control District

Mayor Horne provided a report.

9.5 San Joaquin Hills Transportation Corridor Agency

Councilmember Conners shared a video of the virtual ribbon cutting for the Oso Parkway Bridge and provided a report.

9.6 South Orange County Watershed Management Area

Mayor Pro Tem Moore stated that there had been no meeting since the last meeting and commented on a recent meeting that she attended regarding PFAS.

9.7 Other Comments and Reports – None

X. CLOSED SESSION – None

XI. CLOSED SESSION REPORT – None

XII. ADJOURNMENT

The meeting was adjourned at 3:45 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, March 17, 2021 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: March 17, 2021

SHARI L. HORNE, Mayor

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6.2
FISCAL YEARS 2019-21 BUDGET
ADJUSTMENTS

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RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 21-07, AND AMENDING AND ADOPTING THE FISCAL YEARS 2019-21 BUDGET AND WORK PLAN FOR FISCAL YEAR 2019-20 COMMENCING JULY 1, 2019 AND ENDING JUNE 30, 2020, AND FISCAL YEAR 2020-21 COMMENCING JULY 1, 2020 AND ENDING JUNE 30, 2021, RELATED TO ADJUSTMENTS OF PEG/CABLE TELEVISION FUND APPROPRIATIONS FOR THE CITY HALL TELEVISION BROADCAST IMPROVEMENT PROJECT, AND FEDERAL GRANTS FUND APPROPRIATIONS FOR THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

WHEREAS, the Fiscal Years 2019-21 Budget (“Budget”) was adopted by the City Council on June 26, 2019; and

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

WHEREAS, the “City Hall Television Broadcast Improvement Project” is included in the Capital Improvement Program; and

WHEREAS, with implementation of the City Hall Television Broadcast Improvement Project substantially complete, it is necessary to increase Fiscal Year 2020-21 appropriations for the PEG/Cable Television Fund in the amount of \$3,668, with the appropriations drawn from the unassigned PEG/Cable Television Fund balance, to offset unanticipated additional expenditures that were necessary to achieve desired system functionality and operability; and

WHEREAS, due to the accrual of interest earnings on revenue received as a result of the Coronavirus Aid, Relief, and Economic Security Act, it is necessary to increase Fiscal Year 2020-21 appropriations for the Federal Grants Fund in the amount of \$1,411, with the appropriations drawn from the unassigned Federal Grants Fund balance, to enable the expenditure of such interest earnings; and

WHEREAS, the City Council adopted Resolution No. 21-07 on March 17, 2021 to take actions similar to this resolution; however, due to typographical errors and the need for increased Fiscal Year 2020-21 appropriations for the PEG/Cable Television Fund, staff recommends that Resolution No. 21-07 be repealed.

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

SECTION 1. Resolution No. 21-07 is hereby repealed.

SECTION 2. Section 2 of Resolution No. 19-13, as previously amended by Resolution nos. 19-22, 19-23, 20-05, 20-08, 20-12, 20-13, 20-14, 20-23, 20-30, and 20-33, 20-35, 20-40, 20-47, 20-48, 20-54, and 21-07 (repealed by Section 1) is hereby amended, in its entirety, to read as follows:

The budget appropriations authorized, on a fund level, are:

Fiscal Year 2019-20

	<i>Fiscal Year 2019-20 Adopted Budget</i>	<i>Fiscal Year 2019-20 Carryover Appropriations</i>	<i>Fiscal Year 2019-20 Approved Budget Amendments</i>	<i>Fiscal Year 2019-20 Amended Budget</i>
<i>General Fund Group (all appropriations drawn from the General Fund)</i>				
General Fund	\$5,957,243	-	\$120,603 ^{A,G,J}	\$6,077,846
General Fund (Interfund Transfers to Capital Projects Fund)	\$411,161	-	\$170,719 ^O	\$581,880
Capital Projects Fund	\$411,161	\$111,030 ¹	\$170,719 ^{B, D, K, L}	\$692,910
<i>Special Revenue Funds^E</i>				
Fuel Tax	\$677,769	\$35,319 ²	\$59,046 ^{H,I}	\$772,134
Road Maintenance & Rehabilitation Program	\$275,000	-	-	\$275,000
Measure M2 (OC Go)	\$260,270	-	-	\$260,270
Supplemental Law Enforcement Services	\$154,100	-	-	\$154,100
Mobile Source Reduction	\$7,500	-	\$1,581 ^P	\$9,081
Mobile Source Reduction - Local Government Partnership	-	-	-	-
PEG/Cable Television	\$5,000	-	-	\$5,000
Senior Mobility	\$175,000	-	-	\$175,000
Community Development Block Grant (CDBG)	\$145,700	-	-	\$145,700

Continued from page 2	<i>Fiscal Year 2019-20 Adopted Budget</i>	<i>Fiscal Year 2019-20 Carryover Appropriations</i>	<i>Fiscal Year 2019-20 Approved Budget Amendments</i>	<i>Fiscal Year 2019-20 Amended Budget</i>
Proposition 68 (2018) Per Capita	\$118,884	-	-	\$118,884
Federal Grants ^M	-	-	\$147,095 ^N	\$147,095
State of California Grants ^{C, F}	-	-	-	-
Laguna Woods Civic Support Fund	\$12,025	-	-	\$12,025
TOTAL	\$8,610,813	\$146,349	\$669,763	\$9,426,925*

* Includes \$581,880 in interfund transfers from the General Fund to the Capital Projects Fund.

^A Fund Budget Adjustment CC-19/20-01: CalPERS Lump Sum Payments, +\$101,092 (R 19-22)

^B Fund Budget Adjustment CC-19/20-02: Capital Improvements, +\$180,000 (R 19-23)

^C Fund Budget Adjustment CC-19/20-03: Establish New Fund, +\$0 (R 19-23)

^D Fund Budget Adjustment CC-19/20-04: Capital Improvements, +\$7,925 (R 20-05)

^E Revision of Special Revenue Funds Classifications (R 20-05)

^F Revision of Fund Name (R 20-05)

^G Fund Budget Adjustment CC-19/20-05: Traffic Cabinets, +\$33,307 (R 20-08)

^H Fund Budget Adjustment CC-19/20-06: Traffic Cabinets, +\$19,558 (R 20-08)

^I Fund Budget Adjustment CC-19/20-07: Capital Improvement, +\$39,488 (R 20-12)

^J Fund Budget Adjustment CC-19/20-08: Non-Operating Project, -\$13,796 (R 20-13)

^K Fund Budget Adjustment CC-19/20-09: Capital Improvement, +\$27,978 (R 20-13)

^L Fund Budget Adjustment CC-19/20-10: Capital Improvement, -\$45,184 (R 20-13)

^M Fund Budget Adjustment CC-19/20-11: Establish New Fund, +\$0 (R 20-14)

^N Fund Budget Adjustment CC-19/20-12: CARES Act, +\$147,095 (R 20-14)

^O Fund Budget Adjustment CC-19/20-13: Correction to Account for Previously Approved Interfund Transfers from the General Fund to the Capital Projects Fund, +\$170,719 (R 20-23)

^P Fund Budget Adjustment CC-19/20-14: Telecommuting, +\$1,581 (R 20-33)

¹ General Fund Carryover Appropriations: “A Place for Paws” Dog Park Relocation Project, \$26,200. City Hall Refurbishment & Safety Project: Phase 1 (Construction), \$84,830.

² Fuel Tax Fund Carryover Appropriations: Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Church Intersection) and Various Median and Sidewalk Reconstruction, \$31,151. Water Efficient Median Improvement Project (El Toro Road between Calle Sonora and Moulton Parkway, Moulton Parkway between South City Limit and Calle Aragon, Santa Maria Avenue Shared Median) (Design), \$4,168.

Fiscal Year 2020-21

	<i>Fiscal Year 2020-21 Adopted Budget</i>	<i>Fiscal Year 2020-21 Carryover Appropriations</i>	<i>Fiscal Year 2020-21 Approved Budget Amendments</i>	<i>Fiscal Year 2020-21 Amended Budget</i>
<i>General Fund Group (all appropriations drawn from the General Fund)</i>				

ITEM 6.2 – Attachment A

Continued from page 3	<i>Fiscal Year 2020-21 Adopted Budget</i>	<i>Fiscal Year 2020-21 Carryover Appropriations</i>	<i>Fiscal Year 2020-21 Approved Budget Amendments</i>	<i>Fiscal Year 2020-21 Amended Budget</i>
General Fund	\$5,885,157	-	(\$83,767) ^{II, MM, OO}	\$5,801,390
General Fund (Interfund Transfers to Capital Projects Fund)	\$210,280	-	\$210,000 ^{HH, II}	\$420,280
Capital Projects Fund	\$210,280	-	\$210,000 ^{AA, II}	\$420,280
<i>Special Revenue Funds^{DD}</i>				
Fuel Tax	\$350,974	-	-	\$350,974
Road Maintenance & Rehabilitation Program	\$275,000	-	-	\$275,000
Measure M2 (OC Go)	\$204,988	-	\$31,641 ^{NN}	\$236,629
Supplemental Law Enforcement Services	\$158,100	-	-	\$158,100
Mobile Source Reduction	\$42,500	-	\$50,000 ^{JJ}	\$92,500
Mobile Source Reduction - Local Government Partnership	\$50,000	-	(\$50,000) ^{JJ}	Fund Closed
PEG/Cable Television	\$77,000	-	\$27,668 ^{LL, PP}	\$104,668
Senior Mobility	\$175,000	-	-	\$175,000
Community Development Block Grant (CDBG)	\$150,000	-	\$33,713 ^{II}	\$183,713
Proposition 68 (2018) Per Capita	\$81,116	-	(\$81,116) ^{II}	Fund Closed
Federal Grants ^{GG}	-	-	\$201,965 ^{KK, QQ}	\$201,965
State of California Grants ^{BB, EE}	-	-	\$925,000 ^{CC, FF, II}	\$925,000
Laguna Woods Civic Support Fund	-	-	\$24,408 ^{II}	\$24,408
TOTAL	\$7,870,395	-	\$1,499,512	\$9,369,907*

* Includes \$210,000 in interfund transfers from the General Fund to the Capital Projects Fund.

^{AA} Fund Budget Adjustment CC-20/21-01: Capital Improvements, +\$235,000 (R 19-23)

^{BB} New Fund Established in Prior Fiscal Year per Fund Budget Adjustment CC-19/20-03 (R 19-23)

^{CC} Fund Budget Adjustment CC-20/21-02: Capital Improvements, +\$500,000 (R 19-23)

^{DD} Revision of Special Revenue Funds Classifications in Prior Fiscal Year (R 20-05)

^{EE} Revision of Fund Name in Prior Fiscal Year (R 20-05)

^{FF} Fund Budget Adjustment CC-20/21-03: SB 2 Planning Grants Program, +\$160,000 (R 20-05)

^{GG} New Fund Established in Prior Fiscal Year per Fund Budget Adjustment CC-19/20-11 (R 20-14)

^{HH} Fund Budget Adjustment CC-20/21-04: Correction to Account for Previously Approved Interfund Transfers from the General Fund to the Capital Projects Fund, +\$235,000 (R 20-23)

^{II} Fund Budget Adjustment CC-20/21-05: Mid-Term/COVID-19 Adjustment Plan (R 20-23)
General Fund, -\$138,737

- Capital Projects Fund, -\$25,000 (with interfund transfer from General Fund)
- Community Development Block Grant (CDBG) Fund, +\$33,713
- Proposition 68 (2018) Per Capita Fund, -\$81,116, Fund Closed
- State of California Grants Fund, +\$265,000
- Laguna Woods Civic Support Fund, +\$24,408
- ^{JJ} Fund Budget Adjustment CC-20/21-07: Fund Closure and Rebudgeting (R 20-30)
 - Mobile Source Reduction Fund, +\$50,000
 - Mobile Source Reduction - Local Government Partnership Fund, -\$50,000, Fund Closed
- ^{KK} Fund Budget Adjustment CC-20/21-08: CARES Act, +\$200,554 (R 20-35)
- ^{LL} Fund Budget Adjustment CC-20/21-09: Television Broadcast Improvement, +\$24,000 (R 20-40)
- ^{MM} Fund Budget Adjustment CC-20/21-10: CalPERS Lump Sum Payments, +\$29,970 (R 20-47)
- ^{NN} Fund Budget Adjustment CC-20/21-11: Capital Improvements, +\$31,641 (R 20-48)
- ^{OO} Fund Budget Adjustment CC-20/21-12: IT & Cyber Security Account, +\$25,000 (R 20-54)
- ^{PP} Fund Budget Adjustment CC-20/21-13: Television Broadcast Improvement, +\$3,668 (R 21-XX)
- ^{QQ} Fund Budget Adjustment CC-20/21-14: CARES Act, +\$1,411 (R 21-XX)

The budget appropriations authorized by this section reflect the Fiscal Years 2019-21 adopted budgets, plus authorized budget adjustments approved between July 1, 2019 and the date of this amendment. The budget appropriations authorized by this section also include carryovers of approved, but unspent, budget appropriations from prior fiscal years. Such carryovers were approved by the City Council with the adoption of the current budget and/or pursuant to Administrative Policy 2.9.

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk

RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2019-21 BUDGET AND WORK PLAN FOR FISCAL YEAR 2019-20 COMMENCING JULY 1, 2019 AND ENDING JUNE 30, 2020, AND FISCAL YEAR 2020-21 COMMENCING JULY 1, 2020 AND ENDING JUNE 30, 2021, RELATED TO ADJUSTMENTS OF USED OIL/OIL PAYMENT PROGRAM FUND APPROPRIATIONS AND CLOSURE OF THE USED OIL/OIL PAYMENT PROGRAM FUND

WHEREAS, the Fiscal Years 2019-21 Budget (“Budget”) was adopted by the City Council on June 26, 2019; and

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

WHEREAS, with the exception of interest earnings on the remaining fund balance, the Used Oil/Oil Payment Program Fund has been inactive since Fiscal Year 2016-17 and no future activity is anticipated; and

WHEREAS, it is necessary for the City Council to increase Fiscal Year 2020-21 appropriations for the Used Oil/Oil Payment Program Fund in the amount of \$5,350, with the appropriations drawn from unassigned Used Oil/Oil Payment Program Fund balance, to enable final disposition of the remaining fund balance, which may include remittance to the State of California; and

WHEREAS, staff has recommended that the Used Oil/Oil Payment Program Fund be closed effective June 30, 2021, provided the remaining fund balance has been fully expended.

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

SECTION 1. Section 2 of Resolution No. 19-13, as previously amended by Resolution nos. 19-22, 19-23, 20-05, 20-08, 20-12, 20-13, 20-14, 20-23, 20-30, and 20-33, 20-35, 20-40, 20-47, 20-48, 20-54, 21-07 (since repealed), and 21-XX is hereby amended, in its entirety, to read as follows:

The budget appropriations authorized, on a fund level, are:

Fiscal Year 2019-20

	<i>Fiscal Year 2019-20 Adopted Budget</i>	<i>Fiscal Year 2019-20 Carryover Appropriations</i>	<i>Fiscal Year 2019-20 Approved Budget Amendments</i>	<i>Fiscal Year 2019-20 Amended Budget</i>
<i>General Fund Group (all appropriations drawn from the General Fund)</i>				
General Fund	\$5,957,243	-	\$120,603 ^{A, G, J}	\$6,077,846
General Fund (Interfund Transfers to Capital Projects Fund)	\$411,161	-	\$170,719 ^O	\$581,880
Capital Projects Fund	\$411,161	\$111,030 ¹	\$170,719 ^{B, D, K, L}	\$692,910
<i>Special Revenue Funds^E</i>				
Fuel Tax	\$677,769	\$35,319 ²	\$59,046 ^{H, I}	\$772,134
Road Maintenance & Rehabilitation Program	\$275,000	-	-	\$275,000
Measure M2 (OC Go)	\$260,270	-	-	\$260,270
Supplemental Law Enforcement Services	\$154,100	-	-	\$154,100
Mobile Source Reduction	\$7,500	-	\$1,581 ^P	\$9,081
Mobile Source Reduction - Local Government Partnership	-	-	-	-
PEG/Cable Television	\$5,000	-	-	\$5,000
Senior Mobility	\$175,000	-	-	\$175,000
Community Development Block Grant (CDBG)	\$145,700	-	-	\$145,700
Proposition 68 (2018) Per Capita	\$118,884	-	-	\$118,884
Federal Grants ^M	-	-	\$147,095 ^N	\$147,095
State of California Grants ^{C, F}	-	-	-	-
Laguna Woods Civic Support Fund	\$12,025	-	-	\$12,025
TOTAL	\$8,610,813	\$146,349	\$669,763	\$9,426,925*

* Includes \$581,880 in interfund transfers from the General Fund to the Capital Projects Fund.

^A Fund Budget Adjustment CC-19/20-01: CalPERS Lump Sum Payments, +\$101,092 (R 19-22)

^B Fund Budget Adjustment CC-19/20-02: Capital Improvements, +\$180,000 (R 19-23)

^C Fund Budget Adjustment CC-19/20-03: Establish New Fund, +\$0 (R 19-23)

^D Fund Budget Adjustment CC-19/20-04: Capital Improvements, +\$7,925 (R 20-05)

^E Revision of Special Revenue Funds Classifications (R 20-05)

ITEM 6.2 – Attachment B

- ^F Revision of Fund Name (R 20-05)
- ^G Fund Budget Adjustment CC-19/20-05: Traffic Cabinets, +\$33,307 (R 20-08)
- ^H Fund Budget Adjustment CC-19/20-06: Traffic Cabinets, +\$19,558 (R 20-08)
- ^I Fund Budget Adjustment CC-19/20-07: Capital Improvement, +\$39,488 (R 20-12)
- ^J Fund Budget Adjustment CC-19/20-08: Non-Operating Project, -\$13,796 (R 20-13)
- ^K Fund Budget Adjustment CC-19/20-09: Capital Improvement, +\$27,978 (R 20-13)
- ^L Fund Budget Adjustment CC-19/20-10: Capital Improvement, -\$45,184 (R 20-13)
- ^M Fund Budget Adjustment CC-19/20-11: Establish New Fund, +\$0 (R 20-14)
- ^N Fund Budget Adjustment CC-19/20-12: CARES Act, +\$147,095 (R 20-14)
- ^O Fund Budget Adjustment CC-19/20-13: Correction to Account for Previously Approved Interfund Transfers from the General Fund to the Capital Projects Fund, +\$170,719 (R 20-23)
- ^P Fund Budget Adjustment CC-19/20-14: Telecommuting, +\$1,581 (R 20-33)
- ¹ General Fund Carryover Appropriations: “A Place for Paws” Dog Park Relocation Project, \$26,200. City Hall Refurbishment & Safety Project: Phase 1 (Construction), \$84,830.
- ² Fuel Tax Fund Carryover Appropriations: Pavement Management Plan Project (Eastbound El Toro Road between Avenida Sevilla and Church Intersection) and Various Median and Sidewalk Reconstruction, \$31,151. Water Efficient Median Improvement Project (El Toro Road between Calle Sonora and Moulton Parkway, Moulton Parkway between South City Limit and Calle Aragon, Santa Maria Avenue Shared Median) (Design), \$4,168.

Fiscal Year 2020-21

	<i>Fiscal Year 2020-21 Adopted Budget</i>	<i>Fiscal Year 2020-21 Carryover Appropriations</i>	<i>Fiscal Year 2020-21 Approved Budget Amendments</i>	<i>Fiscal Year 2020-21 Amended Budget</i>
<i>General Fund Group (all appropriations drawn from the General Fund)</i>				
General Fund	\$5,885,157	-	(\$83,767) ^{II, MM, OO}	\$5,801,390
General Fund (Interfund Transfers to Capital Projects Fund)	\$210,280	-	\$210,000 ^{HH, II}	\$420,280
Capital Projects Fund	\$210,280	-	\$210,000 ^{AA, II}	\$420,280
<i>Special Revenue Funds^{DD}</i>				
Fuel Tax	\$350,974	-	-	\$350,974
Road Maintenance & Rehabilitation Program	\$275,000	-	-	\$275,000
Measure M2 (OC Go)	\$204,988	-	\$31,641 ^{NN}	\$236,629
Supplemental Law Enforcement Services	\$158,100	-	-	\$158,100
Mobile Source Reduction	\$42,500	-	\$50,000 ^{JJ}	\$92,500
Mobile Source Reduction - Local Government Partnership	\$50,000	-	(\$50,000) ^{JJ}	Fund Closed
Used Oil/Oil Payment Program	-	-	\$5,350 ^{RR}	\$5,350 ^{RR}

ITEM 6.2 – Attachment B

Continued from page 3	<i>Fiscal Year 2020-21 Adopted Budget</i>	<i>Fiscal Year 2020-21 Carryover Appropriations</i>	<i>Fiscal Year 2020-21 Approved Budget Amendments</i>	<i>Fiscal Year 2020-21 Amended Budget</i>
PEG/Cable Television	\$77,000	-	\$27,668 ^{LL, PP}	\$104,668
Senior Mobility	\$175,000	-	-	\$175,000
Community Development Block Grant (CDBG)	\$150,000	-	\$33,713 ^{II}	\$183,713
Proposition 68 (2018) Per Capita	\$81,116	-	(\$81,116) ^{II}	Fund Closed
Federal Grants ^{GG}	-	-	\$201,965 ^{KK, QQ}	\$201,965
State of California Grants ^{BB, EE}	-	-	\$925,000 ^{CC, FF, II}	\$925,000
Laguna Woods Civic Support Fund	-	-	\$24,408 ^{II}	\$24,408
TOTAL	\$7,870,395	-	\$1,504,862	\$9,375,257*

* Includes \$210,000 in interfund transfers from the General Fund to the Capital Projects Fund.

^{AA} Fund Budget Adjustment CC-20/21-01: Capital Improvements, +\$235,000 (R 19-23)

^{BB} New Fund Established in Prior Fiscal Year per Fund Budget Adjustment CC-19/20-03 (R 19-23)

^{CC} Fund Budget Adjustment CC-20/21-02: Capital Improvements, +\$500,000 (R 19-23)

^{DD} Revision of Special Revenue Funds Classifications in Prior Fiscal Year (R 20-05)

^{EE} Revision of Fund Name in Prior Fiscal Year (R 20-05)

^{FF} Fund Budget Adjustment CC-20/21-03: SB 2 Planning Grants Program, +\$160,000 (R 20-05)

^{GG} New Fund Established in Prior Fiscal Year per Fund Budget Adjustment CC-19/20-11 (R 20-14)

^{HH} Fund Budget Adjustment CC-20/21-04: Correction to Account for Previously Approved Interfund Transfers from the General Fund to the Capital Projects Fund, +\$235,000 (R 20-23)

^{II} Fund Budget Adjustment CC-20/21-05: Mid-Term/COVID-19 Adjustment Plan (R 20-23)

General Fund, -\$138,737

Capital Projects Fund, -\$25,000 (with interfund transfer from General Fund)

Community Development Block Grant (CDBG) Fund, +\$33,713

Proposition 68 (2018) Per Capita Fund, -\$81,116, Fund Closed

State of California Grants Fund, +\$265,000

Laguna Woods Civic Support Fund, +\$24,408

^{JJ} Fund Budget Adjustment CC-20/21-07: Fund Closure and Rebudgeting (R 20-30)

Mobile Source Reduction Fund, +\$50,000

Mobile Source Reduction - Local Government Partnership Fund, -\$50,000, Fund Closed

^{KK} Fund Budget Adjustment CC-20/21-08: CARES Act, +\$200,554 (R 20-35)

^{LL} Fund Budget Adjustment CC-20/21-09: Television Broadcast Improvement, +\$24,000 (R 20-40)

^{MM} Fund Budget Adjustment CC-20/21-10: CalPERS Lump Sum Payments, +\$29,970 (R 20-47)

^{NN} Fund Budget Adjustment CC-20/21-11: Capital Improvements, +\$31,641 (R 20-48)

^{OO} Fund Budget Adjustment CC-20/21-12: IT & Cyber Security Account, +\$25,000 (R 20-54)

^{PP} Fund Budget Adjustment CC-20/21-13: Television Broadcast Improvement, +\$3,668 (R 21-XX)

^{QQ} Fund Budget Adjustment CC-20/21-14: CARES Act, +\$1,411 (R 21-XX)

^{RR} Fund Budget Adjustment CC-20/21-15: Used Oil/Oil Payment Program Fund, +\$5,350 (R 21-XX)

Fund closure is authorized once the remaining fund balance is fully expended.

The budget appropriations authorized by this section reflect the Fiscal Years 2019-21 adopted budgets, plus authorized budget adjustments approved between July 1, 2019 and the date of this amendment. The budget appropriations authorized by this section also include carryovers of approved, but unspent, budget appropriations from prior fiscal years. Such carryovers were approved by the City Council with the adoption of the current budget and/or pursuant to Administrative Policy 2.9.

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

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk

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6.3
ANNUAL AUDIT SERVICES

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**AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
BROWN ARMSTRONG ACCOUNTANCY CORPORATION
FOR ANNUAL AUDIT SERVICES**

This AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT"), is made and entered into this 19th day of April 2021 ("EFFECTIVE DATE"), by and among the City of Laguna Woods, a California municipal corporation ("CITY"), and Brown Armstrong Accountancy Corporation ("CONSULTANT").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of SECTION 19 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period beginning on April 19, 2021 and ending at 11:59 p.m. on December 31, 2023. Such term may be extended upon written agreement of both parties to this AGREEMENT.

SECTION 2. SCOPE OF SERVICES.

CONSULTANT shall perform the services set forth in EXHIBIT "A" "SCOPE OF SERVICES" and made a part of this AGREEMENT. All work to be performed by CONSULTANT shall be coordinated with, and approved by City Manager of CITY or his or her designee. CONSULTANT shall not begin work on any individual task or assignment until authorized by the City Manager of CITY or his or her designee to proceed.

SECTION 3. ADDITIONAL SERVICES.

CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" "SCOPE OF SERVICES", unless such additional services are authorized in advance and in writing by the City Council or the City Manager of CITY or his or her designee. CONSULTANT shall be compensated for any such additional services only in the amounts and in the manner agreed to by the City Council or City Manager of CITY or his or her designee.

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay CONSULTANT the amounts specified in EXHIBIT "B" "COMPENSATION" and made a part of this AGREEMENT. CONSULTANT shall perform work only as requested by CITY. This

ITEM 6.3

AGREEMENT does not state, convey, imply, or infer a specific, minimum or expected amount of work or compensation for as needed services or reimbursables. Compensation for services shall not exceed the amounts specified in EXHIBIT "B" "COMPENSATION".

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

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

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

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

CITY may inspect and accept or reject any of CONSULTANT's work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept CONSULTANT's work in its discretion within sixty (60) days after submitted to CITY. Any rejection of work by CITY shall be by written explanation. Acceptance of any of CONSULTANT's work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, sections 15 and 16, pertaining to indemnification and insurance, respectively.

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files, and other documents prepared, developed or discovered by CONSULTANT in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the CONSULTANT. Upon completion, expiration or termination of this AGREEMENT, CONSULTANT shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents, notwithstanding any billing or compensation disputes that may then exist between CITY and CONSULTANT. The provisions of this Section apply only to the extent of consistency with standards applicable to financial audits contained in the U.S. Government

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Accountability Office's Government Auditing Standards or auditing professional standards issued by the American Institute of Certified Public Accountants.

SECTION 7. CONSULTANT'S BOOKS AND RECORDS.

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

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

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

(d) CONSULTANT shall prepare and submit to CITY reports concerning the performance of the work in this AGREEMENT as CITY shall require.

SECTION 8. STATUS OF CONSULTANT.

(a) CONSULTANT is and shall at all times remain a wholly independent contractor and not an officer, official, employee or agent of CITY. CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt, or liability of any kind on behalf of or against CITY, whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of

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CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, officials, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, officials, employees or agents is in any manner officials, officers, employees or agents of CITY.

(c) Neither CONSULTANT, nor any of CONSULTANT's officers, officials, employees, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY'S employees. CONSULTANT expressly waives any claim CONSULTANT may have to any such rights.

(d) This AGREEMENT shall in no way prohibit the CITY from entering into other agreements or contracts, hiring staff or making other such arrangements with other persons and/or entities relative to the services set forth in EXHIBIT "A" "SCOPE OF SERVICES".

SECTION 9. STANDARD OF PERFORMANCE.

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

SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

(a) CONSULTANT shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT, including but not limited to regulations and rules pertaining to any grant awards or third-party funding with which this AGREEMENT is funded in whole or in part. CONSULTANT shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. CITY shall not be responsible for monitoring CONSULTANT's compliance with federal, state, and local laws, statutes, codes, ordinances, or regulations. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

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

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

SECTION 11. NONDISCRIMINATION.

CONSULTANT shall not discriminate, in any way, against any person on the basis of race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy, childbirth or related medical conditions, veteran status, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, sex, age over 40 years, or any other basis protected by applicable federal, state, or local law, including association with individuals with one or more of these protected characteristics or perception that an individual has one or more of these protected characteristics in connection with or related to the performance of this AGREEMENT.

SECTION 12. UNAUTHORIZED ALIENS.

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

SECTION 13. CONFLICTS OF INTEREST.

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, official, employee, agent, or subcontractor without the express written consent of the City Manager of CITY or his or her designee. CONSULTANT agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that CONSULTANT is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. CONSULTANT is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 14. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

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

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

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

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

SECTION 15. INDEMNIFICATION.

(a) CITY and its respective elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "INDEMNITEES") shall have no liability to CONSULTANT or any other person for, and CONSULTANT shall indemnify, defend and hold harmless INDEMNITEES from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively "CLAIMS"), which INDEMNITEES may suffer or incur or to which INDEMNITEES may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a

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result of the CONSULTANT's performance of or failure to perform any services under this AGREEMENT or by the negligent or willful acts or omissions of CONSULTANT, its agents, officers, directors, subcontractors or employees, committed in performing any of the services under this AGREEMENT, including without limitation the violation of any federal, state, and local law, statute, code, ordinance, regulation, or rule.

(b) If any action or proceeding is brought against INDEMNITEES by reason of any of the matters against which CONSULTANT has agreed to indemnify INDEMNITEES as provided above, CONSULTANT, upon notice from CITY, shall defend INDEMNITEES at CONSULTANT's expense by counsel acceptable to CITY, such acceptance not to be unreasonably withheld. INDEMNITEES need not have first paid for any of the matters to which INDEMNITEES are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by CONSULTANT under Section 16 shall insure CONSULTANT's obligations under this section, but the limits of such insurance shall not limit the liability of CONSULTANT hereunder. The provisions of this section shall survive the expiration or earlier termination of this AGREEMENT.

(c) The provisions of this section do not apply to CLAIMS occurring as a result of the CITY's sole negligence or willful acts or omissions.

SECTION 16. INSURANCE.

CONSULTANT agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "C" "INSURANCE" and made a part of this AGREEMENT. All insurance policies shall be subject to approval by CITY as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager of CITY or his or her designee. CONSULTANT agrees to provide CITY with copies of required policies upon request.

SECTION 17. ASSIGNMENT.

The expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon CONSULTANT under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of CONSULTANT's duties or obligations under this AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that CONSULTANT, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors. CONSULTANT shall be solely liable and responsible for the actions, conduct, and performance of subcontractors, including but not limited to ensuring their compliance with Section 10 of this AGREEMENT (Compliance with Applicable Laws; Permits and Licenses).

SECTION 18. CONTINUITY OF PERSONNEL.

CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's staff assigned to perform the services required under this AGREEMENT. CONSULTANT shall obtain approval, in writing, from CITY of any changes in CONSULTANT's staff assigned to perform the services required under this AGREEMENT, prior to any such performance.

SECTION 19. TERMINATION OF AGREEMENT.

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

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

(c) If CONSULTANT fails to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, CITY may terminate this AGREEMENT immediately upon written notice.

(d) Upon termination of this AGREEMENT by either CONSULTANT or CITY, all property belonging exclusively to CITY which is in CONSULTANT's possession shall be returned to CITY immediately upon demand by CITY, notwithstanding any billing disputes that may then exist under this AGREEMENT. CONSULTANT shall furnish to CITY a final invoice for work performed and expenses incurred by CONSULTANT, prepared as set forth in SECTION 4 of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

SECTION 20. DEFAULT.

In the event that CONSULTANT is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating CONSULTANT for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the CONSULTANT.

SECTION 21. EXCUSABLE DELAYS.

CONSULTANT shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of CONSULTANT. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state, or local governments, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

SECTION 27. WAIVER.

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.

SECTION 28. LAW TO GOVERN; VENUE.

This AGREEMENT shall be interpreted, construed, and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Orange. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the District of California in which CITY is located.

SECTION 29. ATTORNEYS FEES, COSTS, AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 30. ENTIRE AGREEMENT.

This AGREEMENT, including the attached EXHIBITS "A" through "C", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which is not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 31. SEVERABILITY.

If a term, condition, or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void, or unenforceable provision(s).

SECTION 32. NO THIRD-PARTY BENEFICIARIES.

This AGREEMENT, its provisions, and its covenants, are for the sole and exclusive benefit of CITY and CONSULTANT. No other parties or entities are intended to be, nor shall

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be considered, beneficiaries of the performance by either party of any of the obligations under this AGREEMENT.

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

CITY OF LAGUNA WOODS:

By _____
Shari L. Horne, Mayor

CONSULTANT:

By _____
Eric H. Xin, Partner

APPROVED AS TO FORM:

David B. Cosgrove, City Attorney

EXHIBIT "A"
SCOPE OF SERVICES

CONSULTANT shall perform and complete services to audit CITY's annual financial statements for the fiscal years ending June 30, 2021 (Fiscal Year 2020-21); June 30, 2022 (Fiscal Year 2021-22); and, June 30, 2023 (Fiscal Year 2022-23) by providing all labor, tools, equipment, materials, and supplies necessary to complete work in a professional, thorough, and timely manner, in accordance with standards and specifications as contained in this AGREEMENT. CONSULTANT shall perform its work in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in the U.S. Government Accountability Office's Government Auditing Standards, as may change from time-to-time. CONSULTANT's work shall also meet the requirements of a Single Audit of all federal grants performed according to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), as may change from time-to-time.

General Requirements

CONSULTANT shall provide services including, but not limited to:

- CONSULTANT shall express an opinion on the fair presentation of CITY's basic financial statements in conformity with Generally Accepted Auditing Standards ("GAAS") and Generally Accepted Accounting Principles ("GAAP").
- CONSULTANT is not required to audit the combining and individual fund financial statements and supporting schedules; however, CONSULTANT shall provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements.
- CONSULTANT shall apply limited procedures on management's discussion and analysis and the required supplementary information. CONSULTANT shall not be required to express an opinion or provide assurances on this information.
- CITY prepares complete comprehensive annual financial reports which may be submitted for consideration of award for outstanding financial reporting to the California Society of Municipal Finance Officers and/or the Government Finance Officers Association at CITY's discretion. CONSULTANT shall not be required to audit the introductory or statistical section of the report.
- CONSULTANT shall perform a Single Audit of all federal grants in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), as may change from time-to-time, in those years in which a single audit is required.
- CONSULTANT shall perform agreed-upon procedures on the Gann Appropriations Limit Worksheet.
- CONSULTANT shall assist and advise CITY, as requested, in the preparation of reports and schedules for comprehensive annual financial reports including, but not limited to,

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reports and schedules for the Government-Wide Financial Statements, Fund Financial Statements, Notes to Basic Financial Statements, Required Supplementary Information, and Supplementary Information. CONSULTANT shall provide CITY with draft copies of the audited financial statements and suggested adjusting journal entries, if any.

- CONSULTANT shall provide ten (10) printed and spiral bound copies of each comprehensive annual financial report and one (1) flash drive containing an electronic copy of each comprehensive annual financial reports. For the purpose of this bullet point, “comprehensive annual financial report” shall include the comprehensive annual financial report and all reports issued by CONSULTANT.

Reports to be Issued

- A report on the fair presentation of the financial statements of CITY, in conformity with generally accepted accounting principles.
- An “in-relation-to” report on the schedule of expenditures of federal awards based on the auditing procedures applied during the audit of the basic financial statements.
- A Single Audit report, if applicable, on compliance for each major federal program and report on internal control over compliance.
- A report on compliance with the Gann Appropriation Limit.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- In the required reports on internal controls, CONSULTANT shall communicate any reportable conditions found during the audit. A “reportable condition” is defined for the purpose of this AGREEMENT as a significant deficiency in the design or operation of the internal control structure, which could adversely affect CITY’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also considered material weaknesses shall be identified as such in the reports.
- A report to those charged with governance at the conclusion of the audit.
- Non-reportable conditions discovered by CONSULTANT shall be reported in a separate letter to CITY’s management, which shall be referred to in the report on internal controls.
- CONSULTANT shall provide a separate and immediate written report of all irregularities and illegal acts of which they become aware to the five (5) members of the City Council, the City Manager of CITY, and the City Attorney of CITY.
- Any other report required by GAAS or other authoritative guidance.

Other Requirements

- CONSULTANT shall participate in two meetings with individuals designated by the City Council of CITY (or, similar meetings at CITY’s discretion) per audit. The first meeting shall occur during or following interim audit work and include, but not be limited to, the auditor providing information on the audit process and changes in audit practices, as well

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as obtaining specific feedback regarding the engagement. The second meeting shall occur following year-end audit work and include a review of work and findings to-date.

- CONSULTANT shall participate in one meeting of the City Council of CITY per audit to present the audit's findings and answer related questions from the City Council of CITY and general public.
- In addition to completing the annual audit, CONSULTANT shall be available during normal business hours throughout the term of the agreement to provide CITY with advice and guidance on financial accounting and reporting issues. CONSULTANT shall also keep CITY abreast of the working requirements of all new accounting and financial reporting pronouncements of the U.S. Office of Management and Budget, the State of California, the Governmental Accounting Standards Board, and other applicable agencies.
- CONSULTANT shall designate audit personnel to include a designated senior staff member, manager, director, or partner, who will be responsible for responding to CITY telephone calls and email communications within one (1) business day.

Time Requirements

CONSULTANT shall complete the review of CITY's internal control and compliance by the second week of each November and the audit report by the third week of each November.

Fund Structure

CITY's fund structure is subject to change at CITY's discretion and shall not affect the compensation set forth in EXHIBIT "B" of this AGREEMENT.

Operational Information

CITY staff shall be made available to locate documents (e.g., invoices, warrants, City Council minutes, and budget policies) and type all confirmation requests. CITY staff, at CONSULTANT's request, may also prepare account analysis and posted transaction schedules. The preparation of standard audit working papers shall be the responsibility of CONSULTANT.

CITY shall provide CONSULTANT with workspace, telephone, and access to photocopier and fax equipment at City Hall, as necessary and available. CONSULTANT shall provide its own personal computers and office supplies.

EXHIBIT "B"
COMPENSATION

CONSULTANT shall be compensated using the following rates:

Table 1-1: Compensation Schedule – Audits of Annual Financial Statements

	Fixed Fee (including Single Audit)	Fixed Fee (excluding Single Audit)
Audit of Fiscal Year 2020-21	\$26,500	\$23,500
Audit of Fiscal Year 2021-22	\$26,500	\$23,500
Audit of Fiscal Year 2022-23	\$26,500	\$23,500

Table 1-2: Compensation Schedule – Advice and Guidance on Financial Accounting and Reporting Issues

Description	Rate*
April 19, 2021 through June 30, 2021	\$105 per hour
July 1, 2021 through June 30, 2022	\$105 per hour
July 1, 2022 through December 31, 2023	\$105 per hour

* All “per hour” services shall be provided on an as-needed basis with no specific, minimum, or expected amount of work or compensation.

The rates set forth in Table 1-1 and Table 1-2 are “all inclusive”. CITY shall not provide separate or supplemental compensation to CONSULTANT.

EXHIBIT "C"
INSURANCE

A. Insurance Requirements. CONSULTANT shall provide and maintain insurance, acceptable to the City Manager of CITY or his or her designee or City Attorney, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. CONSULTANT shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of CITY.

(3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the CONSULTANT and all risks to such persons under this AGREEMENT.

(4) Errors and omissions liability insurance appropriate to the CONSULTANT's profession.

2. Minimum Limits of Insurance. CONSULTANT shall maintain limits of insurance no less than:

(1) General Liability: \$1,000,000 per occurrence for all covered losses and no less than \$2,000,000 general aggregate for bodily injury, personal injury, and property damage.

(2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

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B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

1. All Policies. Each insurance policy required by this AGREEMENT shall be endorsed and state that the coverage shall not be suspended, voided, cancelled by the insurer or either party to this AGREEMENT, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to the City Manager of CITY or his or her designee.

2. General Liability and Automobile Liability Coverages.

(1) CITY, and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities CONSULTANT performs; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT; or automobiles owned, leased, hired or borrowed by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, and their respective elected and appointed officers, officials, or employees.

(2) CONSULTANT's insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, CONSULTANT's insurance.

(3) CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager of CITY or his or her designee otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by CONSULTANT.

C. Other Requirements. CONSULTANT agrees to deposit with CITY, at or before the effective date of this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with. The City Attorney may require that CONSULTANT furnish CITY with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. CITY reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

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1. CONSULTANT shall furnish certificates and endorsements from each subcontractor identical to those CONSULTANT provides.

2. Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and volunteers or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.

8.1
STATE OF LOCAL EMERGENCY (COVID-19)

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RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, TERMINATING THE EFFECT OF THE PROCLAMATION OF THE EXISTENCE OF A LOCAL EMERGENCY THAT WAS ISSUED BY THE DIRECTOR OF EMERGENCY SERVICES ON MARCH 19, 2020 AND THEN RATIFIED AND CONTINUED IN EFFECT BY THE CITY COUNCIL ON MARCH 24, 2020, MAY 11, 2020, JUNE 30, 2020, AUGUST 27, 2020, OCTOBER 21, 2020, DECEMBER 16, 2020, AND FEBRUARY 8, 2021, PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 8630

WHEREAS, Laguna Woods Municipal Code Section 7.04.050 designates the City Manager as the City’s Director of Emergency Services; and

WHEREAS, Laguna Woods Municipal Code Section 7.04.060 authorizes the Director of Emergency Services, if the City Council is not in session, to issue a proclamation proclaiming the existence or threatened existence of a “local emergency”; and

WHEREAS, the Director of Emergency Services issued a proclamation of the existence of a local emergency on March 19, 2020 after having concluded that the introduction of the novel coronavirus (COVID-19) has created conditions of extreme peril warranting such a proclamation, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proclamation of the existence of a local emergency triggers certain emergency provisions of state law (including, but not limited to, California Government Code sections 8631, 8632, and 8633 related to aid and assistance, as well as California Government Code Section 8634 related to orders and regulations) and the Laguna Woods Municipal Code (including, but not limited to, section 3.06.110 related to the suspension of purchasing and procurement requirements and 7.04.060(a)(9) related to powers of the Director of Emergency Services); and

WHEREAS, pursuant to California Government Code Section 8630, the state of local emergency proclaimed by the Director of Emergency Services shall remain in effect for a period of seven days from the effective date of that proclamation, unless it has been ratified by the City Council, in which case it shall extend for a period of no more than 60 days, and beyond such date as may be extended by the

City Council by review of the conditions giving rise to that proclamation, each 60 days thereafter, until conditions otherwise warrant; and

WHEREAS, on March 24, 2020, the City Council ratified the proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020, and continued the effect thereof on the basis of ongoing need for 60 days (through May 17, 2020) unless terminated prior to that date by the City Council, pursuant to California Government Code Section 8630; and

WHEREAS, on May 11, 2020, the City Council continued the effect of the proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020 on the basis of ongoing need for 60 days (through July 10, 2020) unless terminated prior to that date by the City Council, pursuant to California Government Code Section 8630; and

WHEREAS, on June 30, 2020, the City Council continued the effect of the proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020 on the basis of ongoing need for 60 days (through August 29, 2020) unless terminated prior to that date by the City Council, pursuant to California Government Code Section 8630; and

WHEREAS, on August 27, 2020, the City Council continued the effect of the proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020 on the basis of ongoing need for 60 days (through October 26, 2020) unless terminated prior to that date by the City Council, pursuant to California Government Code Section 8630; and

WHEREAS, on October 21, 2020, the City Council continued the effect of the proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020 on the basis of ongoing need for 60 days (through December 20, 2020) unless terminated prior to that date by the City Council, pursuant to California Government Code Section 8630; and

WHEREAS, on December 16, 2020, the City Council continued the effect of the proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020 on the basis of ongoing need for 60 days (through February 14, 2021) unless terminated prior to that date by the City Council, pursuant to California Government Code Section 8630; and

WHEREAS, on February 8, 2021, the City Council continued the effect of the proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020 on the basis of ongoing need for 60 days (through April 9, 2021) unless terminated prior to that date by the City Council, pursuant to California Government Code Section 8630; and

WHEREAS, the Director of Emergency Services has concluded that while COVID-19 remains a serious public health emergency, local conditions are such that the emergency provisions of state law and the Laguna Woods Municipal Code that were triggered by the proclamation of the existence of a local emergency are no longer necessary and so, in accordance with California Government Code Section 8630(d), recommends that the City Council terminate the local emergency; and

WHEREAS, the City Council has reviewed the need for continuing the Director of Emergency Services' proclamation of the existence of a local emergency dated March 19, 2020, including the initial proclamation and other information regarding the current status and impacts of COVID-19, and agrees with the Director of Emergency Services' recommendation to terminate the local emergency; and

WHEREAS, the City Council acknowledges that in the event that conditions related to COVID-19 change and warrant a proclamation of the existence of a local emergency, the City Council and the Director of Emergency Services remain able to proclaim such local emergency pursuant to applicable law.

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

SECTION 1. The proclamation of the existence of a local emergency that was issued by the Director of Emergency Services on March 19, 2020 and then ratified and continued in effect by the City Council on March 24, 2020, May 11, 2020, June 30, 2020, August 27, 2020, October 21, 2020, December 16, 2020, and February 8, 2021, is hereby terminated, pursuant to California Government Code Section 8630.

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

[SIGNATURES ON NEXT PAGE]

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk



CITY OF LAGUNA WOODS

**PROCLAMATION OF THE EXISTENCE OF A LOCAL EMERGENCY
BY THE DIRECTOR OF EMERGENCY SERVICES**

WHEREAS, Laguna Woods Municipal Code Section 7.04.050 designates the City Manager as the City’s Director of Emergency Services; and

WHEREAS, Laguna Woods Municipal Code Section 7.04.060 authorizes the Director of Emergency Services, if the City Council is not in session, to issue a proclamation proclaiming the existence or threatened existence of a “local emergency”; and

WHEREAS, conditions of extreme peril to the safety of persons have arisen both internationally and within the United States as a result of the introduction of the novel coronavirus (COVID-19); and

WHEREAS, COVID-19 continues to spread globally to a significant number of countries, infecting more than 191,100 persons and killing more than 7,800 individuals worldwide¹; and

WHEREAS, due to the expanding list of countries with widespread transmission of COVID-19, and increasing travel alerts and warnings for countries experiencing community transmission issued by the Centers for Disease Control and Prevention (CDC), COVID-19 has created conditions that are likely to be beyond the control of local resources and require the combined forces of other political subdivisions to combat; and

WHEREAS, the President of the United States, the Governor of the State of California, and the County of Orange have declared that national, state, and local health emergencies exist; and

WHEREAS, the California Department of Public Health has issued statewide guidance recommending self-isolation for older adults and those who are at high risk for serious illness from COVID-19; and

WHEREAS, the CDC has also issued severe warnings regarding the spread of COVID-19 and the dangers it presents, particularly to senior populations and those with existing compromised health conditions; and

WHEREAS, the Orange County Health Officer has issued a countywide order substantially prohibiting public and private “gatherings”, as defined by the California Department of Public Health, and taking other actions deemed necessary to protect and preserve the public health from, and prevent, the increasing transmission of COVID-19 in California and the significant risk of widespread introduction and transmission of COVID-19 into Orange County²; and

WHEREAS, the Orange County Health Officer’s order makes a strong recommendation that all persons 65 years or older, or with a serious chronic medical condition, or with a compromised immune system, remain at home consistent with guidance provided by the California Department of Public Health; and

¹ World Health Organization, Coronavirus disease 2019 (COVID-19) Situation Report – 58, March 18, 2020.

² Amended Order and Guidance of the Orange County Health Officer [Revised 3/18/2020]

ITEM 8.1 - Exhibit A

WHEREAS, a majority of Laguna Woods' population is 65 years or older or otherwise considered to be at high risk for serious illness from COVID-19, such that compliance with statewide and countywide guidance to self-isolate is likely to result in significant complications of the ability of such vulnerable populations to sustain their households and take advantage of important public services; and

WHEREAS, certain establishments located within Laguna Woods are required to temporarily close (e.g., gyms) or significantly modify their operations (e.g., food and beverage establishments, and grocery stores) as a result of the Orange County Health Officer's order; and

WHEREAS, COVID-19 is impacting the City's regular operations, resulting in reduced hours and service availability, workforce and work product disruption, and heightened protective measures; and

WHEREAS, the City's ability to mobilize resources, maintain services, coordinate interagency response, accelerate the purchase and procurement of vital goods and services, use mutual aid, and seek reimbursement by the federal and state governments will be critical to successfully responding to COVID-19; and

WHEREAS, executive orders, legislation, and guidance from federal, state, and county governments are being issued on a regular basis, calling for rapid implementation of response measures by the City, such that the City needs to have all means at its disposal to not only protect its residents and businesses, but to stay consistent with direction provided by other levels of government with jurisdiction over the City's activities; and

WHEREAS, the Director of Emergency Services believes and has concluded that the above-described conditions of extreme peril constitute a "local emergency" as that term is defined in California Government Code Section 8558(c) and warrant a proclamation of local emergency.

NOW, THEREFORE, pursuant to California Government Code Section 8630 and Laguna Woods Municipal Code Section 7.04.060, it is hereby proclaimed that a local emergency now exists in the city of Laguna Woods. Assistance and aid is required from federal, state, and county governments to the City, individuals, and businesses affected by this local emergency. This state of local emergency shall remain in effect for a period of seven (7) days from the effective date of this proclamation, unless it has been ratified by the City Council, in which case it shall extend for a period of no more than sixty (60) days, and beyond such date as may be extended by the City Council by review of the conditions giving rise to this proclamation, each sixty (60) days thereafter, until conditions otherwise warrant.

A handwritten signature in blue ink, appearing to read 'Chris Macon', is written over the word 'COPY' which is printed in a light blue, semi-transparent font.

Christopher Macon, City Manager
Director of Emergency Services
City of Laguna Woods

March 19, 2020
Date

8.2

**FISCAL YEARS 2021-23 BUDGET AND WORK
PLAN & FISCAL YEARS 2021-32 CAPITAL
IMPROVEMENT PROGRAM DEVELOPMENT**

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: April 7, 2021 Adjourned Regular Meeting

SUBJECT: Fiscal Years 2021-23 Budget and Work Plan & Fiscal Years 2021-32 Capital Improvement Program Development

Recommendation

Discuss and provide direction to staff.

Discussion

Today's meeting is one of several opportunities for the City Council to receive public input and provide direction to staff on the development of the Fiscal Years 2021-23 Budget and Work Plan (July 1, 2021 through June 30, 2023) & Fiscal Years 2021-32 Capital Improvement Program (July 1, 2021 through June 30, 2032).

Preliminary drafts of the first three chapters of the Fiscal Years 2021-23 Budget and Work Plan are attached for review and comment. Text highlighted in yellow is a placeholder for information that is not currently available.

Additional meetings on this subject are tentatively planned for:

- May 19, 2021 at 2 p.m. at Laguna Woods City Hall
- June 16, 2021 at 2 p.m. at Laguna Woods City Hall
- June 23, 2021 at 2 p.m. at Laguna Woods City Hall

Attachments: A – Fiscal Years 2021-23 Budget and Work Plan Chapter 1 (DRAFT)
 B – Fiscal Years 2021-23 Budget and Work Plan Chapter 2 (DRAFT)
 C – Fiscal Years 2021-23 Budget and Work Plan Chapter 3 (DRAFT)

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1.0. CITY BACKGROUND

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

A BRIEF HISTORY

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

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

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

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

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

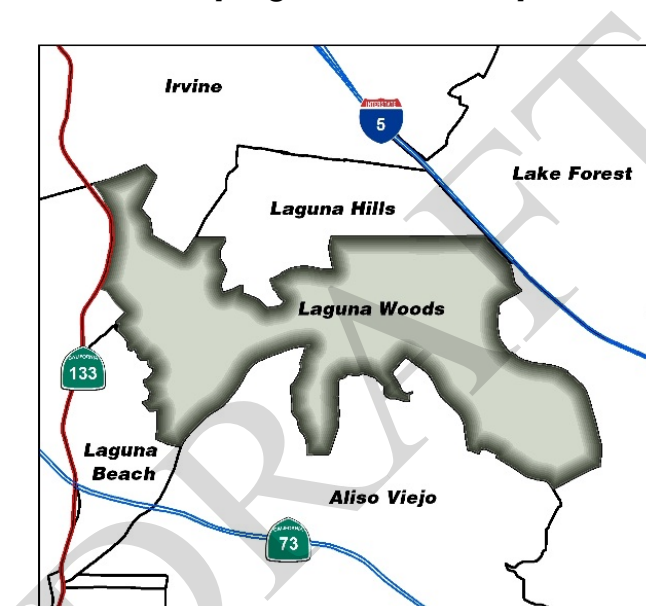
The City of Laguna Woods celebrated its 22nd anniversary in 2021.

PHYSICAL LOCATION

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

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

[Regional Location]



LOCAL GOVERNMENT

The City of Laguna Woods is a general law city with a Council-Manager form of government, meaning that it operates within the parameters of California municipal law with an elected City Council as its legislative body. The City Council appoints and supervises a City Manager who is responsible for the day-to-day administration of the City and implementation of the City Council's ordinances, regulations, and policy direction. The City Council also appoints a City Attorney to serve as the City's legal counsel.

The five members of the City Council are residents of Laguna Woods who are elected by registered voters to four-year terms. Elections occur "at-large"

(citywide) in even-numbered years with two and then three members of the City Council elected at subsequent elections. All five offices are nonpartisan.

The City Council appoints a Mayor and Mayor Pro Tem from amongst its membership to preside over City Council meetings, execute certain legal instruments and authorizations, and attend to various representative and ceremonial matters. The Mayor Pro Tem serves as the Mayor in their absence.

[Elected Officials (City Council)]

- Cynthia Conners
- Noel Hatch
- Shari L. Horne
- Carol Moore
- Ed H. Tao

[Officials Appointed by the City Council]

- City Manager.....Christopher Macon
- City Attorney.....David B. Cosgrove
- Assistant City Attorney.....Alisha Patterson

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

[Key Operating Contract Service Providers]

- Animal Control & Shelter Services.....City of Laguna Beach
- Annual Audit Services.....XX
- Building Services.....Willdan Engineering
Bureau Veritas North America

- Engineering Services.....CivilSource/NV5
- Hazardous Waste Handling Services.....XX
- Landscape Maintenance Services.....
BrightView Landscape Services
- Law Enforcement Services.....Orange County Sheriff's Department
- Legal Services (City Attorney).....Rutan & Tucker, LLP
- Planning Services and Geographic Information System Services.....
Michael Baker International
- Senior Mobility Program Transportation Services.....
California Yellow Cab
- Street, Right-of-Way, and Infrastructure Maintenance Services.....
PV Maintenance
- Traffic Signal & Lighting Maintenance Services.....Siemens Mobility

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

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

Solid waste handling services (including trash collection and recycling) are provided by Waste Management Collection and Recycling pursuant to a franchise agreement.

[Key Special Districts, Utility, and Other Service Providers]

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

CITY PROPERTIES

Most of the land within Laguna Woods is privately owned, including all local streets with the exception of El Toro Road, Moulton Parkway, Ridge Route Drive, and Santa Maria Avenue. The City is responsible for operating and maintaining the portions of those four streets that are located within Laguna Woods, as well as three public parks ("A Place for Paws" Dog Park, City Centre Park, and Woods End Wilderness Preserve); a multi-modal trail network for pedestrians, golf carts, and bicyclists; and, medians, parkways, and other public rights-of-way. Laguna Woods City Hall is the only building that is owned, operated, and maintained by the City.

[Public Parks]

"A Place for Paws" Dog Park
23199 Ridge Route Drive, Laguna Woods, CA 92637

"A Place for Paws" Dog Park is a comfortable outdoor space for off-leash dog exercise and socialization. Park amenities include approximately 6,400 square feet of dog-friendly artificial turf, a dog water station, and seating.

City Centre Park
24121 Moulton Parkway, Laguna Woods, CA 92637

City Centre Park is located adjacent to the Ayres Hotel in Town Centre, just west of Moulton Parkway. Park amenities include a walking trail, picnic tables, and small gathering space.

Woods End Wilderness Preserve
24995 El Toro Road, Laguna Woods, CA 92637

Woods End Wilderness Preserve includes 10.6 acres of natural open space located near the intersection of El Toro Road and Aliso Creek Road. The park is operated as part of the Laguna Coast Wilderness Park with trails that provide access to Barbara's Lake and the James Dilley Preserve. Once planned for housing, the City was able to preserve this land as public open space.

LOCAL DEMOGRAPHICS

The California Department of Finance ("DOF") estimates that Laguna Woods' population was XX as of January 1, 2021, a XX% increase/decrease from the year prior¹. The DOF's estimates incorporate United States Census counts, the 2010 iteration of which found that Laguna Woods' population was 16,192². The population is known to experience some seasonal variation with the total number of residents present at any given time remaining mostly constant.

[Age]

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

¹ State of California, Department of Finance, *E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2020 and 2021*. Sacramento, California, May 2021.

² U.S. Census Bureau, 2010 Census.

[Gender]

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

[Race and Ethnicity]

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

[Language Spoken at Home³]

Subject	Estimated Population	Speak English less than "very well"
Speak a language other than English	4,705 (±416)	16.6% (±2.2%)
Speak Spanish	709 (±170)	2.2% (±0.6%)
Speak other Indo-European languages	1,052 (±238)	3.3% (±1.2%)
Speak Asian and Pacific Islander languages	2,810 (±341)	10.7% (±1.9%)
Speak other languages	134 (±64)	0.4% (±0.4%)

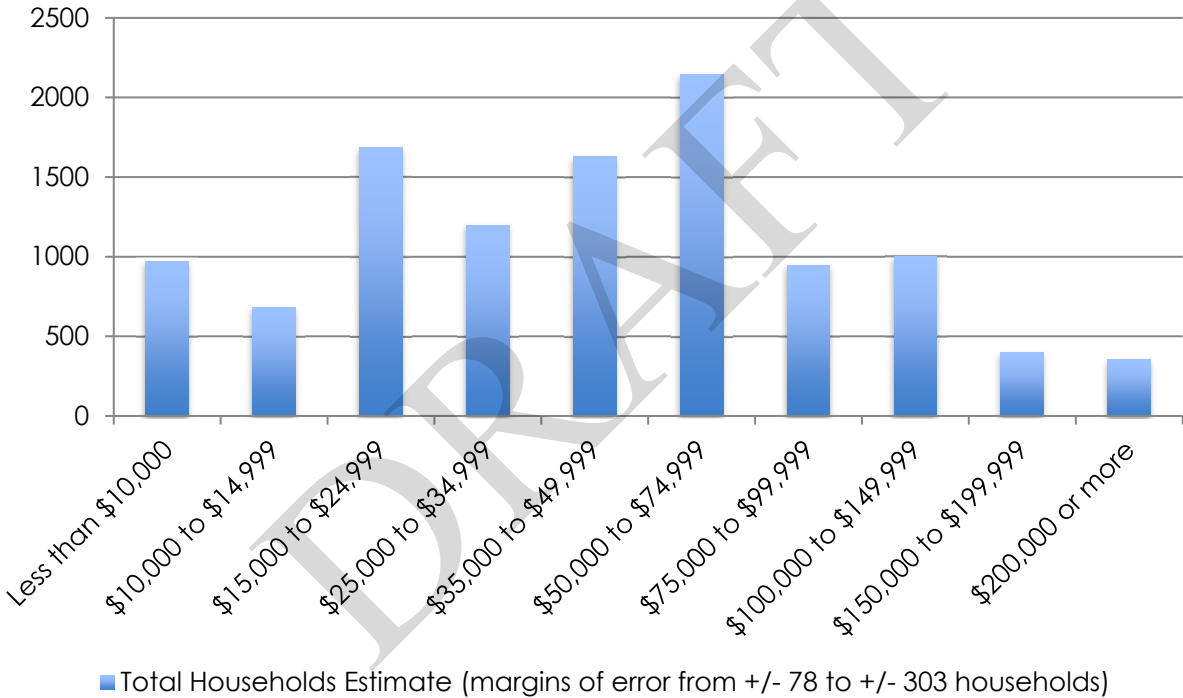
³ U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates (Table DP02). Note: The American Community Survey produces population, demographic, and housing unit estimates only. Estimates for the "Language Spoken at Home" data for Laguna Woods are based on a sample and are subject to sampling variability. The values reported are the 90 percent margins of error.

[Household Size]

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

[Household Income⁴]

Subject	Measure
Median household income	\$44,020 (±\$3,187)
Mean household income	\$61,849 (±\$4,825)



As a point of comparison, California’s median household income as reported in the 2015-2019 American Community Survey 5-Year Estimates (Table S1901) is \$75,235. Laguna Woods’ median household income is \$31,215 less per year (±\$232), or approximately 58.5% of California’s median household income (approximately 41.5% lower than the State’s median household income).

⁴ U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates (Table S1901). Note: The American Community Survey produces population, demographic, and housing unit estimates only. Estimates for the “Household Income” data for Laguna Woods are based on a sample and are subject to sampling variability. The values reported are the 90 percent margins of error.

LOCAL ECONOMY

Residential Communities

The vast majority of land within Laguna Woods is occupied by residential uses, which include five private residential communities offering an assortment of apartment, assisted living, condominium, and cooperative housing.

[Residential Communities]

Residential Community	Housing Type	Dwelling Units
Laguna Woods Village	Condominium, Cooperative	12,736
Las Palmas	Assisted Living	184
The Regency	Assisted Living	192
San Sebastian	Apartment	134
Whispering Fountains	Apartment	140
TOTAL		13,386

Places of Worship

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

Shopping Centers, Hotels, and Commercial Properties

At just over three square miles, most of the land within Laguna Woods is zoned for residential, open space, and other non-commercial purposes. Less than one-fifth of a square mile is zoned for commercial purposes.

Laguna Woods is served by the following five major shopping centers:

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

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

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DRAFT

2.0. CITY ORGANIZATION

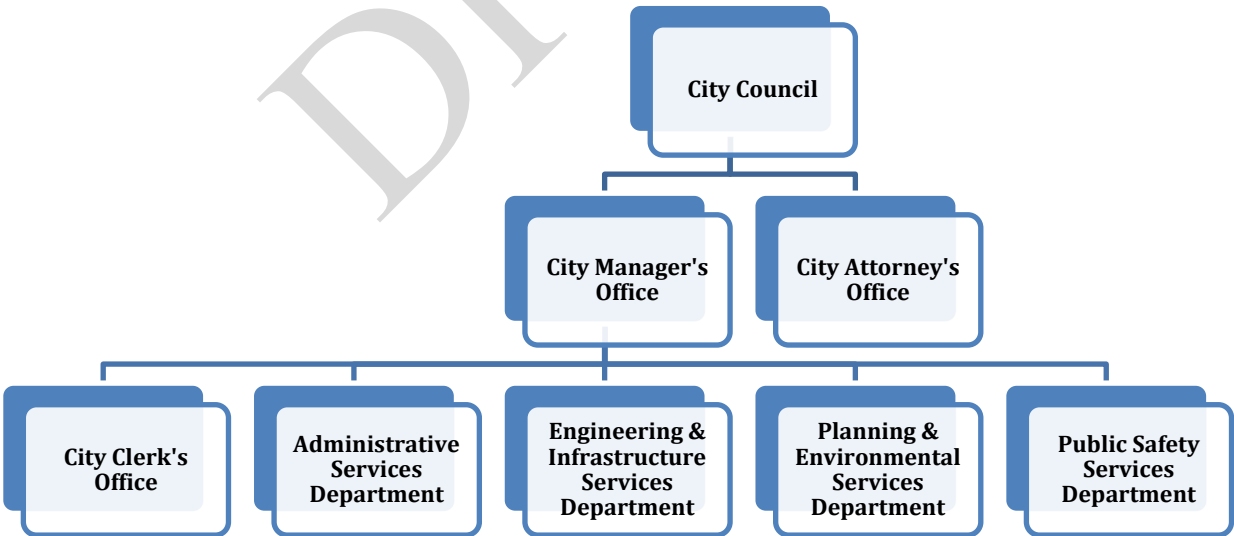
This chapter provides a brief overview of the City of Laguna Woods' internal structure in order to establish a context for understanding how this budget and work plan will be implemented.

DEPARTMENTAL STRUCTURE

The City is organized into the following eight departments:

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

[Organizational Chart – Departments]



As a contract city, many departmental functions are coordinated by City personnel and performed under contract with independent, franchise, and

joint powers agencies. This chapter reviews the organizational structures and allocations of City personnel and the City Attorney's Office.

CITY COUNCIL

The City of Laguna Woods is a general law city with a Council-Manager form of government, meaning that it operates within the parameters of California municipal law with an elected City Council as its legislative body. The City Council appoints and supervises a City Manager who is responsible for the day-to-day administration of the City and implementation of the City Council's ordinances, regulations, and policy direction. The City Council also appoints a City Attorney to serve as the City's legal counsel.

The five members of the City Council are residents of Laguna Woods who are elected by registered voters to four-year terms. Elections occur "at-large" (citywide) in even-numbered years with two and then three members of the City Council elected at subsequent elections. All five offices are nonpartisan.

The City Council appoints a Mayor and Mayor Pro Tem from amongst its membership to preside over City Council meetings, execute certain legal instruments and authorizations, and attend to various representative and ceremonial matters. The Mayor Pro Tem serves as the Mayor in their absence.

CITY ATTORNEY'S OFFICE

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

The City Attorney is appointed by the City Council to serve as the City's primary legal counsel. The City Attorney takes direction from the City Council and works closely with the City Manager.

In addition to the City Attorney, the City Council also appoints an Assistant City Attorney to serve as the City Attorney's principal assistant.

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

The City Attorney's Office is a contract function. Associated expenditures are

included in the Legal Services line item of the General Government section of this budget; however, legal services rendered for special projects, and other related expenditures, may be charged to those projects.

AUTHORIZED CITY EMPLOYEE POSITIONS

This budget and work plan includes an authorized personnel allocation of 9.00 full-time equivalent ("FTE") employee positions, which represents a reduction of 0.23 FTE (or, 2.49%) from the number of employee positions authorized in the immediately preceding fiscal year (Fiscal Year 2020-21), and 3.00 FTE (or, 25%) from the number of employee positions authorized in Fiscal Year 2013-14.

Over the 10 years spanning fiscal years 2013-14 through 2022-23, the average number of employee positions has been 9.45 FTE.

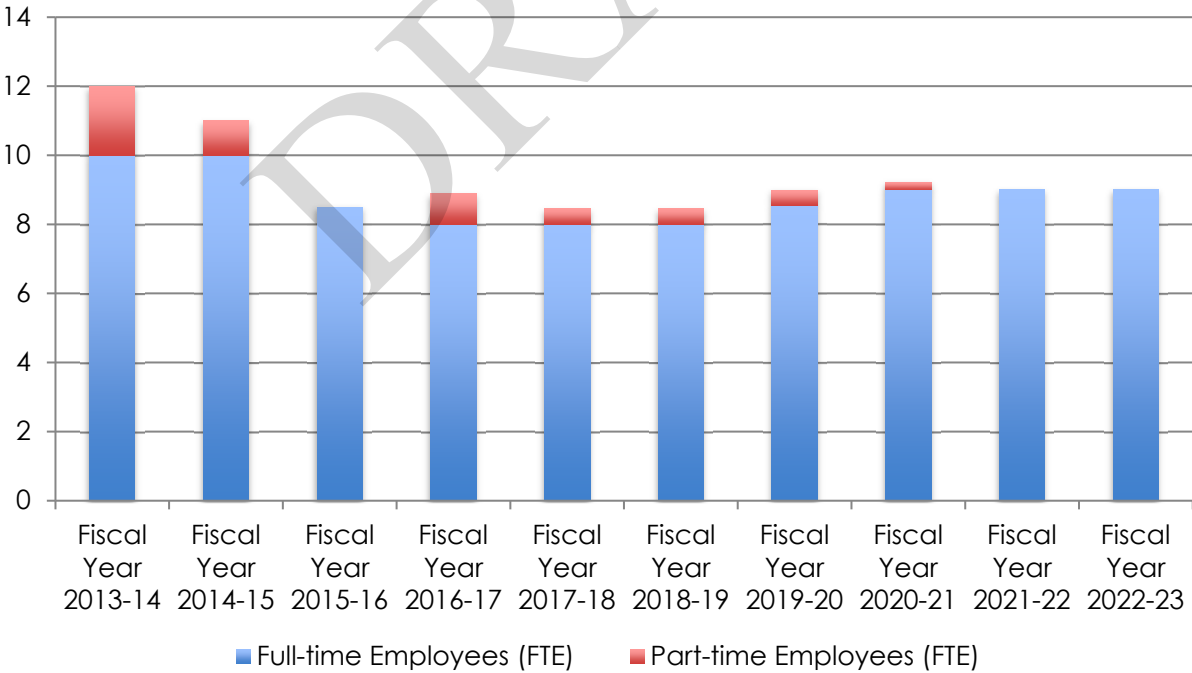
[Authorized City Employee Positions – Citywide (Table)]

Position	Number Authorized									
	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
<i>Full-time Employees [full-time equivalents (FTE)]</i>										
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00	-	-	-	-	-	-	-
Administrative Services Director/City Treasurer	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Clerk	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Official	1.00	-	-	-	-	-	-	-	-	-
Community Services Manager	1.00	1.00	0.50	-	-	-	-	-	-	-
City Clerk (A)/ Deputy City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance Manager	1.00	-	-	-	-	-	-	-	-	-
Management Analyst/ Senior Management Analyst	-	-	1.00 (B)	2.00	2.00	2.00	3.00 (C)	3.00	3.00	3.00
Management Assistant	1.00	1.00	1.00 (B)	-	-	-	-	-	-	-
Planning Manager	1.00	1.00	-	-	-	-	-	-	-	-
Public Safety Director	1.00	-	-	-	-	-	-	-	-	-
Accountant (D)/ Senior Accountant	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total FTE – full-time positions	10.00	10.00	8.50	8.00	8.00	8.00	8.54	9.00	9.00	9.00
<i>Part-time Employees [full-time equivalents (FTE)]</i>										
Accountant	0.50	-	-	-	-	-	-	-	-	-
Administrative Assistant	1.50	1.00	-	-	-	-	-	-	-	-

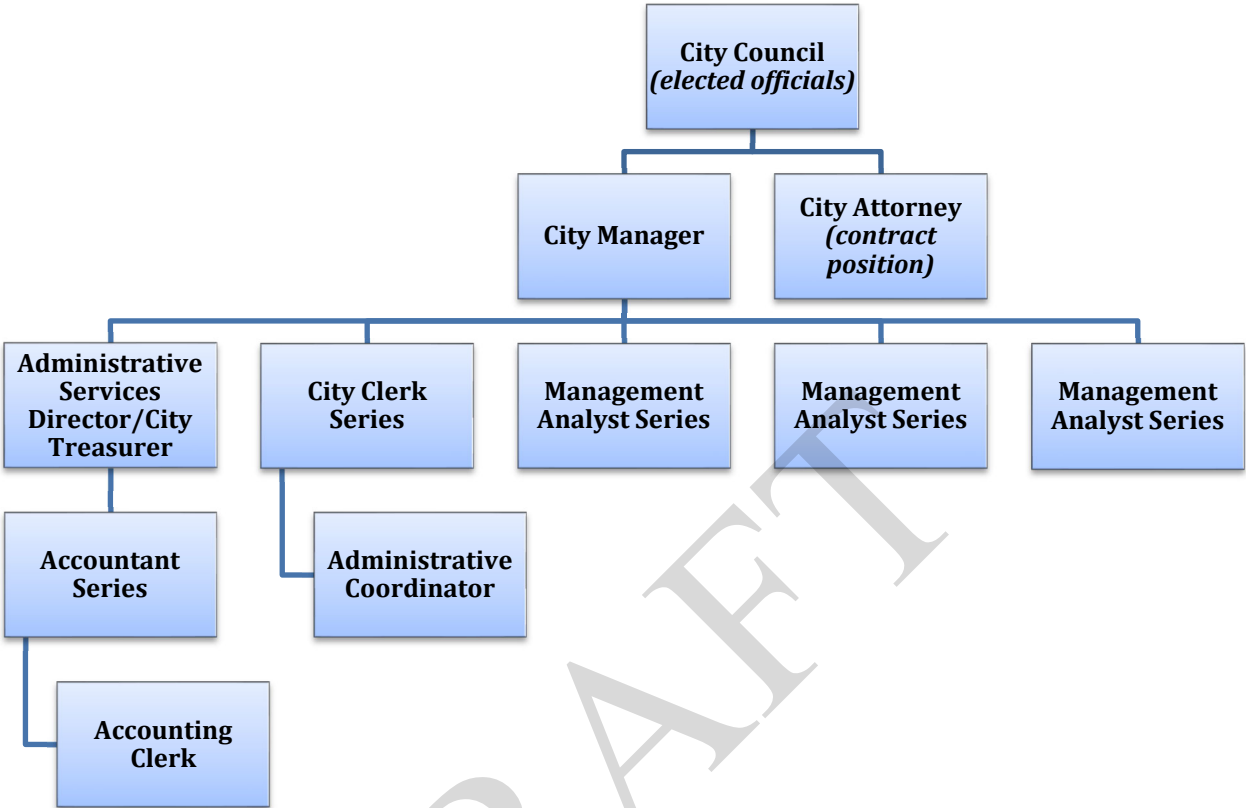
Position	Number Authorized									
	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
Customer Service Representative	-	-	-	0.45 (E)	-	-	-	-	-	-
Management Analyst/ Senior Management Analyst	-	-	-	0.45	0.45	0.45	0.45	0.23	-	-
Total FTE – part-time positions	2.00	1.00	-	0.90	0.45	0.45	0.45	0.23	-	-
Total FTE – all positions	12.00	11.00	8.50	8.90	8.45	8.45	9.99	9.23	9.00	9.00
Year-over-year change		(1.00)	(3.50)	0.40	(0.45)	-	1.54	(0.76)	(0.23)	-

- (A) The Deputy City Clerk position was transitioned to a dual-class position consisting of both Deputy City Clerk and City Clerk classes in Fiscal Year 2018-19.
- (B) These positions were authorized for only a portion of the fiscal year, resulting in a total net FTE of 1.00.
- (C) 2.00 Management Analyst/Senior Management Analyst positions were authorized from July 1, 2019 through December 17, 2019. Beginning on December 18, 2019, an additional 1.00 position was authorized, resulting in a total net FTE of 2.54.
- (D) The Senior Accountant position was transitioned to a dual-class position consisting of both Accountant and Senior Accountant classes in Fiscal Year 2018-19.
- (E) This position was authorized, but never filled.

[Authorized City Employee Positions – Citywide (Graph)]



REPORTING RELATIONSHIPS



CITY MANAGER’S OFFICE

Christopher Macon, City Manager

The City Manager is appointed by the City Council to oversee the City’s daily operations and implement the City Council’s direction and policy. The City Manager serves as both the chief executive officer for the City and the chief technical advisor for the City Council. All City employees are hired and work under the ultimate authority of the City Manager.

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

Due to the elimination of the full-time Assistant City Manager position in Fiscal Year 2016-17, the City Manager also provides director-level management for

the Engineering & Infrastructure Services Department, as well as the Planning & Environmental Services Department.

In the absence of separately appointed incumbents, the City Manager may also serve as City Clerk and City Treasurer. When serving as City Clerk, the City Manager provides director-level management of the City Clerk's Office.

[Authorized City Employee Positions – City Manager's Office]

Position	Number Authorized								
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
<i>Full-time Employees [full-time equivalents (FTE)]</i>									
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Services Manager	1.00	0.50	-	-	-	-	-	-	-
Management Assistant	1.00	1.00	-	-	-	-	-	-	-
Total FTE – full-time positions	3.00	2.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<i>Part-time Employees [full-time equivalents (FTE)]</i>									
Management Analyst/ Senior Management Analyst	-	-	0.45	0.45	0.45	0.45	0.45	-	-
Total FTE – part-time positions	-	-	0.45	0.45	0.45	0.45	0.45	-	-
Total FTE – all positions	3.00	2.50	1.45	1.45	1.45	1.45	1.45	1.00	1.00

Personnel allocated to the City Manager's Office are included in the General Government budget.

CITY CLERK'S OFFICE

Yolie Trippy, CMC, City Clerk

The City Clerk serves as the local elections official and is responsible for duties related to the implementation of state laws pertaining to the City's legislative and recordkeeping functions, including the California Political Reform Act, the California Public Records Act, and California's Ralph M. Brown Act.

The City Clerk's Office is also responsible for City Hall's front counter operations and public programming, as well as notary public and acknowledgement operations, participant-facing Senior Mobility Program operations, and local government television channel programming.

[Authorized City Employee Positions – City Clerk’s Office]

Position	Number Authorized								
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
<i>Full-time Employees [full-time equivalents (FTE)]</i>									
Administrative Coordinator	(A)	(A)	(A)	(A)	(A)	1.00	1.00	1.00	1.00
City Clerk (B)/ Deputy City Clerk	(A)	(A)	(A)	(A)	(A)	1.00	1.00	1.00	1.00
Total FTE – full-time positions	-	-	-	-	-	2.00	2.00	2.00	2.00
<i>Part-time Employees [full-time equivalents (FTE)]</i>									
-	-	(C)	-	-	-	-	-	-	-
Total FTE – part-time positions	-	-	-	-	-	-	-	-	-
Total FTE – all positions	-	-	-	-	-	2.00	2.0	2.00	2.00

- (A) Prior to Fiscal Year 2019-20, these positions were allocated to the Administrative Services Department.
- (B) The Deputy City Clerk position was transitioned to a dual-class position consisting of both Deputy City Clerk and City Clerk classes in Fiscal Year 2018-19.
- (C) A part-time Customer Service Representative position (0.45 FTE) was authorized, but never filled, in Fiscal Year 2016-17, when the City Clerk’s Office was allocated to the Administrative Services Department. The position was intended to support the functions of what is today the City’s Clerk Office.

[Organizational Chart – City Clerk’s Office]



Personnel allocated to the City Clerk’s Office are included in the General Government budget.

ADMINISTRATIVE SERVICES DEPARTMENT

Liz Torres, Administrative Services Director/City Treasurer

The Administrative Services Department is responsible for financial operations such as accounting, purchasing, and payroll. The City Treasurer’s Office is part of the Administrative Services Department with investment-related duties set forth in state law, the Laguna Woods Municipal Code, and City policy.

In addition to financial operations, the Administrative Services Department is responsible for human resources and information technology functions, as well as the administration of insurance and workers’ compensation programs.

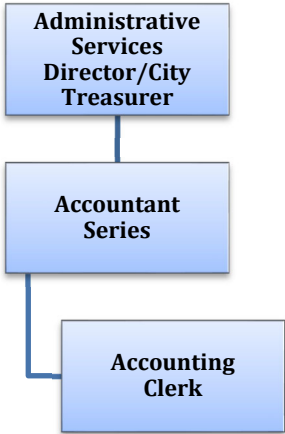
[Authorized City Employee Positions – Administrative Services Department]

Position	Number Authorized								
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
<i>Full-time Employees [full-time equivalents (FTE)]</i>									
Administrative Services Director/City Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00	1.00	(A)	(A)	(A)	(A)
Deputy City Clerk	1.00	1.00	1.00	1.00	1.00	(A)	(A)	(A)	(A)
Accountant (B)/ Senior Accountant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total FTE – full-time positions	5.00	5.00	5.00	5.00	5.00	3.00	3.00	3.00	3.00
<i>Part-time Employees [full-time equivalents (FTE)]</i>									
Administrative Assistant	1.00	-	-	-	-	-	-	-	-
Customer Service Representative	-	-	0.45 (C)	-	-	-	-	-	-
Total FTE – part-time positions	1.00	-	0.45	-	-	-	-	-	-
Total FTE – all positions	6.00	5.00	5.45	5.00	5.00	3.00	3.00	3.00	3.00

- (A) Beginning with Fiscal Year 2019-20, these positions were reallocated to the newly separated City Clerk’s Office.
- (B) The Senior Accountant position was transitioned to a dual-class position consisting of both Accountant and Senior Accountant classes in Fiscal Year 2018-19.
- (C) This position was authorized, but never filled. The position was intended to support the functions of what is today the City Clerk’s Office.

Personnel allocated to the Administrative Services Department are included in the Administrative Services Department budget.

[Organizational Chart – Administrative Services Department]



ENGINEERING & INFRASTRUCTURE SERVICES DEPARTMENT

The Engineering & Infrastructure Services Department is responsible for the operation, maintenance, and improvement of public property. In addition to Laguna Woods City Hall and the City’s three public parks, the Engineering & Infrastructure Services Department’s purview includes streets, rights-of-way, landscaping, bus shelters, storm drain systems, traffic signals, and streetlights.

The Engineering & Infrastructure Services Department is also responsible for the review, issuance, and enforcement of grading permits.

[Authorized City Employee Positions – Engineering & Infrastructure Services Department]

Position	Number Authorized								
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
<i>Full-time Employees [full-time equivalents (FTE)]</i>									
Assistant City Manager	0.50	0.25	-	-	-	-	-	-	-
Management Analyst/ Senior Management Analyst	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total FTE – full-time positions	0.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Personnel allocated to the Engineering & Infrastructure Services Department are included in the Engineering & Infrastructure Services Department budget.

PLANNING & ENVIRONMENTAL SERVICES DEPARTMENT

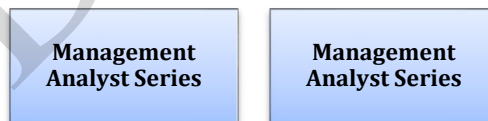
The Planning & Environmental Services Department is responsible for functions related to private construction and the built environment, including planning, building permitting, economic development, and code enforcement, as well as water quality (stormwater) and waste and recycling.

*[Authorized City Employee Positions –
Planning & Environmental Services Department]*

Position	Number Authorized								
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
<i>Full-time Employees [full-time equivalents (FTE)]</i>									
Assistant City Manager	0.5	0.75	-	-	-	-	-	-	-
Management Analyst/ Senior Management Analyst	-	-	1.00	1.00	1.00	2.00 (A)	2.00	2.00	2.00
Planning Manager	1.00	-	-	-	-	-	-	-	-
Total FTE – full-time positions	1.50	0.75	1.00	1.00	1.00	1.54	2.00	2.00	2.00

(A) 1.00 Management Analyst/Senior Management Analyst position was authorized from July 1, 2019 through December 17, 2019. Beginning on December 18, 2019, an additional 1.00 position was authorized, resulting in a total net FTE of 1.54.

*[Organizational Chart –
Planning & Environmental Services Department]*



Personnel allocated to the Planning & Environmental Services Department are included in the Planning & Environmental Services Department budget.

PUBLIC SAFETY SERVICES DEPARTMENT

The Public Safety Services Department includes law enforcement and animal control and shelter services, which are provided under contract by the Orange County Sheriff's Department and Laguna Beach Animal Services, respectively. This department's budget also includes other public safety-related contract

services (e.g., the Trauma Intervention Program). Fire services provided by the Orange County Fire Authority are funded separately through a structural fire fund administered by the County of Orange on the City's behalf.

Due to restructuring and an internal shift toward multidisciplinary involvement in public safety services, personnel allocated to other departments are responsible for coordinating with public safety service providers, as well as managing emergency planning, hazard mitigation, climate adaptation, and other “in-house” public safety programs.

CITY HALL VOLUNTEER PROGRAM

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

[City Hall Volunteer Hours]

Calendar Year 2017	Calendar Year 2018
1,557.00 (0.75 full-time equivalent)	1,599.50 (0.77 full-time equivalent)
Calendar Year 2019	Calendar Year 2020
1,543.00 (0.74 full-time equivalent)	284.00 (A) (0.14 full-time equivalent)

(A) The City Hall Volunteer Program was temporarily suspended beginning on March 6, 2021 due to the COVID-19 public health emergency.

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3.0. CITY BUDGET PRACTICES

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

INTRODUCTION

In addition to outlining a scope of work for the City to undertake during the fiscal years spanning July 1, 2021 through June 30, 2023, this budget and work plan serves as a financial plan for the City's operations. To that end, chapters 3.0, 4.0, 5.0, and 6.0 translate the scope of work that is described in chapters 7.0 and 8.0 into revenue estimates and expenditure appropriations.

TWO-YEAR BUDGETING AND WORK PLANNING

Beginning with the adoption of the Fiscal Years 2017-19 Budget & Work Plan, the City transitioned from single-year to two-year budgets and work plans. That transition was undertaken with the goals of providing longer-term financial forecasts, greater certainty regarding the sustainability of the City's operations, and heightened strategic vision.

BUDGET AND WORK PLAN DEVELOPMENT PROCESS

The City Council adopts a budget and work plan for the upcoming two fiscal years, no later than June 30 of odd-numbered years. Fiscal years begin every July 1 and end 12 months later on the following June 30.

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

In the first year of each two-year budget and work plan, development focuses on updating revenue estimates and expenditure projections, as well as refining the budget figures adopted for the second year of the same two-year budget and work plan. In June, the City Council adopts a Gann Limit for the second

year of the same two-year budget and work plan, as well as updates of the budgetary reserve levels and 11-year capital improvement program. The City Council may also be asked to modify adopted budgets and work plans to reflect changes in the economy, priorities, and/or needs.

In the second year of each two-year budget and work plan, development is focused on updating revenue estimates and expenditure projections for that fiscal year, as well as preparing a draft budget and work plan for the next two-year budget and work plan cycle.

The Fiscal Years 2021-23 Budget & Work Plan development process included a total of four open and publicly noticed City Council meetings, each with an opportunity for public input. Several chapters of the draft budget and work plan were released for public review earlier than in previous fiscal years. The meetings and public releases occurred as follows:

Friday, April 2, 2021 – public release of draft budget and work plan chapters 1 (City Background), 2 (City Organization), and 3 (City Budget Practices)

- Wednesday, April 7, 2021 – kick-off, discussion and development

Friday, May 14, 2021 – public release of draft budget and work plan Chapter 8 (City Capital Projects)

- Wednesday, May 19, 2021 – discussion and development

Friday, June 11, 2021 – public release of the draft budget and work plan

- Wednesday, June 16, 2021 – discussion and development

-
- Wednesday, June 23, 2021 – discussion and adoption

CONTINUAL BUDGET AND WORK PLAN IMPROVEMENT PROCESS

The City is committed to continually improving the transparency and manner in which information is presented in its budgets and work plans. Best practices and other guidance from the California Society of Municipal Finance Officers (“CSMFO”) and the Government Finance Officers Association (“GFOA”) is used as a foundation for both near- and long-term improvement efforts.

In addition to internal utility, public comments, and City Council feedback, the effectiveness of budget and work plan improvements can be assessed by

evaluations conducted by CSMFO and GFOA. While the results of evaluations are expressed in the form of "awards," evaluations are important, not as accolades, but as benchmarks of progress made in improving budgets and work plans through the incorporation of generally accepted best practices.

The Fiscal Year 2019-20 operating budget (the first year of the Fiscal Years 2019-21 Budget & Work Plan) was submitted to CSMFO for evaluation. Following two independent, third-party reviews, the City earned CSMFO's Operating Budget Meritorious Award. The Fiscal Year 2020-21 operating budget (the second year of the Fiscal Years 2019-21 Budget & Work Plan) was not submitted for separate evaluation due to its inclusion in a shared two-year budget and work plan with the Fiscal Year 2019-20 operating budget.

[CSMFO Operating Budget Meritorious Award for Fiscal Year 2019-20]



BUDGET POLICIES

City of Laguna Woods Administrative Policy 2.9 (see Appendix A) provides a framework for the development of the City's budget, with an emphasis on

balance, transparency, fiscal responsibility, and long-term planning. The policy establishes numerous prudent and responsible standards related to budget development and implementation, including regular public reporting in the interest of financial transparency and accountability.

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

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

STATUS OF BUDGETARY RESERVES

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

The overall target for assigned reserves is established in an amount equal to 50% of the adopted General Fund revenue budget at the beginning of each fiscal year (July 1), less any one-time revenues and non-operating revenues. The overall target amount is used to fund three assigned reserves:

- Paid Leave Contingency Reserve – The Paid Leave Contingency Reserve compensates for payments required to comply with the City's paid leave policies and obligations, when such amounts exceed adopted budgets.
- Self-Insurance Contingency Reserve – The Self-Insurance Contingency Reserve compensates for liability and workers' compensation claim settlements not covered by insurance policies.
- General Contingency Reserve – The General Contingency Reserve compensates for economic uncertainty, operating contingencies, and emergencies caused by calamitous events.

[Assigned Reserves Funding Levels – Fiscal Year 2021-22]

Fiscal Year 2021-22 General Fund Revenue Budget, less one-time and non-operating revenues	\$XX
	x .50
Overall Target for Assigned Reserves	<u>\$XX</u>
Paid Leave Contingency Reserve ¹	\$XX
Self-Insurance Contingency Reserve	\$XX
General Contingency Reserve	\$XX
Total Assigned Reserves	<u>\$XX</u>

[Assigned Reserves Funding Levels – Fiscal Year 2022-23]*

Fiscal Year 2022-23 General Fund Revenue Budget, less one-time and non-operating revenues	\$XX
	x .50
Overall Target for Assigned Reserves	<u>\$XX</u>
Paid Leave Contingency Reserve ¹	\$XX
Self-Insurance Contingency Reserve	\$XX
General Contingency Reserve	\$XX
Total Assigned Reserves	<u>\$XX</u>

* If the adopted General Fund revenue budget changes prior to the beginning of Fiscal Year 2022-23, the overall target and funding levels for assigned reserves will be modified in accordance with Administrative Policy 2.9.

In addition to assigned reserves, unassigned General Fund balance (General Fund monies that are spendable and not classified as restricted, committed, or assigned for specific purposes) is available for any governmental purpose and can be appropriated by the City Council at a public meeting. Use of unassigned General Fund balance is generally limited to one-time projects, capital improvement projects, the payment of long-term liabilities for periods beyond the current fiscal year, and emergency expenditures.

¹ The Paid Leave Contingency Reserve has an annual target equal to projected accrued paid leave balances at the end of each fiscal year (June 30). The funding level shown in this budget and work plan is an estimate that will be finalized after fiscal-year-end calculations are available.

BASIS OF BUDGETING AND ACCOUNTING

This budget and the underlying accounting are prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) on a “modified accrual” basis. The California Department of Finance’s *Finance Glossary of Accounting and Budgeting Terms* (2017) defines “modified accrual” as:

“The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations.”

The City’s accounting system is organized by fund. Each fund is a separate accounting entity with a self-balanced set of accounts that record assets, liabilities, fund equity, revenues, and expenditures. Funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND TYPES

Government agencies classify funds as either governmental (accounting for typical government operations), proprietary (accounting for activities that are financed and operated in a manner similar to private enterprises, where the cost of providing services is recovered from user charges), or fiduciary (used when acting as a trustee or agent for resources belonging to other agencies or individuals). The City has no proprietary or fiduciary funds, although the City does maintain an Other Post-Employment Benefits (“OPEB”) trust fund that is administered by the California Public Employees’ Retirement System. The City maintains the following governmental fund types:

- General Fund – The General Fund is the City’s primary operating fund and is used to account for the proceeds of revenue sources that are not legally restricted or committed to expenditures for specified purposes.
- Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of revenue sources that are legally restricted or committed to expenditures for specified purposes [e.g., allocations from statewide fuel taxes and Orange County’s Measure M2 (OC Go), as well as grant

awards from external sources and restricted donations]. The City also accounts for the Laguna Woods Civic Support Fund, a nonprofit public benefit corporation, as a Special Revenue Fund for financial reporting purposes, because it meets the criteria of a “component unit”² as that term is defined by the Governmental Accounting Standards Board.

- Capital Projects Fund – The Capital Projects Fund is used to account for transfers from the unassigned General Fund balance that are reserved for major capital improvement purposes. The Capital Projects Fund is a separate fund for budgetary purposes, but is combined with the General Fund for reporting in the Comprehensive Annual Financial Report.

ANNUAL APPROPRIATIONS LIMIT (“GANN LIMIT”)

Proposition 4 (“Limitation of Government Appropriations”), commonly referred to as the “Gann Initiative,” was approved by California voters on November 6, 1979. The Gann Initiative added Article XIII B to the California State Constitution, establishing a limit on the amount of tax proceeds that state and local governments can appropriate on an annual basis (“Gann Limit”). Gann Limits vary amongst agencies and are either based on the amount of tax revenue that was authorized to be spent in Fiscal Year 1978-79 or, in the case of the City of Laguna Woods and other local governments that incorporated after Fiscal Year 1978-79, on an amount established by voters. Gann Limits are modified, annually, according to a methodology established by Proposition 111 (“Traffic Congestion Relief and Spending Limitation Act Of 1990”).

In the event that the City's receipt of tax proceeds exceeded a Gann Limit, Article XIII B of the California State Constitution would allow the City to “carry those excess funds into the subsequent year.” At the conclusion of the subsequent year, the City would be required to either return remaining excess funds to taxpayers or gain voter approval to “override” the Gann Limit.

The City's Gann Limit is adopted by the City Council by resolution each year (see Resolution No. 21-XX included with this budget as Appendix D). The Gann Limit for Fiscal Year 2021-22 is \$XX and was calculated as follows:

² Government Accounting Standards Board Statement No. 61 (November 2010), Paragraph 20, defines a “component unit” as a legally separate organization for which the City Council is financially accountable or other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading.

[Gann Limit Calculation – Fiscal Year 2021-22]

Fiscal Year 2020-21 Gann Limit		\$10,404,837
Population Change (County of Orange) ³	x	XX
Cost of Living Change (Per Capita Personal Income) ³	x	XX
Fiscal Year 2021-22 Gann Limit		\$XX
Fiscal Year 2021-22 Appropriations Subject to the Gann Limit		\$XX
Fiscal Year 2021-22 Gann Limit over Appropriations		\$XX

The Gann Limit for Fiscal Year 2022-23 is expected to be adopted by the City Council in June 2022, once the necessary information on population and cost of living changes for Fiscal Year 2021-22 becomes available.

As in prior fiscal years, the City does not anticipate receiving or appropriating tax proceeds in excess of the Gann Limit during fiscal years 2021-22 or 2022-23. As such, the Gann Limit is not expected to impact the City's operations.

DEBT SERVICE OBLIGATIONS

The California Department of Finance's *Finance Glossary of Accounting and Budgeting Terms* (2017), defines "debt service" as:

"The amount of money required to pay interest on outstanding bonds and the principal of maturing bonds."

The City has never issued bonds. Accordingly, this budget and work plan does not include any debt service obligations.

³ State of California, Department of Finance, *Price and Population Information*. May 2021. Factors are rounded to four decimal places for presentation purposes.

8.3
CALIFORNIA EMPLOYERS' PENSION
PREFUNDING TRUST

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: April 7, 2021 Adjourned Regular Meeting

SUBJECT: California Employers' Pension Prefunding Trust

Recommendation

1. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING AN AGREEMENT AND ELECTION TO PREFUND EMPLOYER CONTRIBUTIONS TO A DEFINED BENEFIT PENSION PLAN THROUGH THE CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND CONTROLLED BY THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) USING AN INTERNAL REVENUE CODE SECTION 115 IRREVOCABLE TRUST AND AUTHORIZING THE EXECUTION OF THE AGREEMENT AND ELECTION, AS WELL AS OTHER RELATED DOCUMENTS AND CERTIFICATIONS
(Please refer to Attachment A.)

AND

2. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DELEGATING AUTHORITY TO REQUEST DISBURSEMENTS FROM THE INTERNAL REVENUE CODE SECTION 115 IRREVOCABLE TRUST USED TO PREFUND EMPLOYER CONTRIBUTIONS TO A DEFINED BENEFIT PENSION

PLAN THROUGH THE CALIFORNIA EMPLOYERS' PENSION
 PREFUNDING TRUST FUND CONTROLLED BY THE CALIFORNIA
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)

(Please refer to Attachment B.)

Background

Like many local governments in California, the City contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits for employees. The City is required to make annual contributions to CalPERS that are based on a variety of assumptions including, but not limited to, rates of return on pooled investments managed by CalPERS. The difference between the sum of the City's accumulated plan assets and the total projected cost of earned pension benefits is referred to as "unfunded accrued liability."

City Administrative Policy 2.9 (Budgeting, Reserves, and Reporting) contains the following provision related to unfunded accrued liability:

"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."

On May 17, 2017, the City Council approved lump sum payments to pay off then-current total unfunded accrued liability in the amount of \$483,218.

On September 26, 2018, the City Council approved lump sum payments to pay off then-current total unfunded accrued liability in the amount of \$137,455.

On October 16, 2019, the City Council approved lump sum payments to pay off then-current total unfunded accrued liability in the amount of \$101,092.

On October 21, 2020, the City Council approved lump sum payments to pay off then-current total unfunded accrued liability in the amount of \$29,970.

In accordance with California Government Code Section 21711(a), the California Employers' Pension Prefunding Trust ("CEPPT") has been established in the State of California's Treasury for the purpose of allowing public agencies to prefund

required pension contributions. The CEPPT is an Internal Revenue Code Section 115 Irrevocable Trust similar to the California Employers' Retiree Benefit Trust ("CERBT") that the City has participated in since 2016 to prefund statutorily required retiree medical benefits. In both cases – the CEPPT and the CERBT – the CalPERS Board of Directors is responsible for administration and investment.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on a proposal to participate in the CEPPT. Staff recommends that the City Council adopt both proposed resolutions (attachments A and B) in order to provide for the execution of documents that are necessary to establish participation in the CEPPT. Staff believes that the CEPPT presents an opportunity to increase interest earnings to offset what has become the City Council's regular practice of making lump sum payments to pay off the CalPERS unfunded accrued liability.

If the City Council takes the recommended action at today's meeting, staff would file the necessary documents with CalPERS to initiate participation in the CEPPT. As part of the Fiscal Years 2021-23 Budget and Work Plan development process, the City Council would be asked to consider whether to make a contribution to the CEPPT and, if so, in what amount and using which of the CEPPT's two funding strategies (attachments C and D). It is anticipated that such a discussion would take place at the regular meeting on May 19, 2021.

Fiscal Impact

Neither the recommended action nor filing the necessary documents with CalPERS obligates the City to make a contribution to the CEPPT. There is no filing fee.

The fiscal impact of prospective contributions to the CEPPT would be addressed at the time such contributions are considered. As with any variable investment, there is no guarantee of any specific performance or amount of interest earnings. The CEPPT's historical performance is summarized on attachments C and D.

Attachments: A – Proposed Resolution
 Exhibit A – Proposed Participation Agreement
 B – Proposed Resolution
 Exhibit A – Proposed Delegation of Authority
 C – CEPPT Fund Facts: Strategy 1 dated February 28, 2021
 D – CEPPT Fund Facts: Strategy 2 dated February 28, 2021

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RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING AN AGREEMENT AND ELECTION TO PREFUND EMPLOYER CONTRIBUTIONS TO A DEFINED BENEFIT PENSION PLAN THROUGH THE CALIFORNIA EMPLOYERS’ PENSION PREFUNDING TRUST FUND CONTROLLED BY THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CALPERS) USING AN INTERNAL REVENUE CODE SECTION 115 IRREVOCABLE TRUST AND AUTHORIZING THE EXECUTION OF THE AGREEMENT AND ELECTION, AS WELL AS OTHER RELATED DOCUMENTS AND CERTIFICATIONS

WHEREAS, the City contracts with the California Public Employees’ Retirement System (“CalPERS”) to provide pension benefits for employees; and

WHEREAS, California Government Code Section 21711(a) establishes in the State Treasury the California Employers’ Pension Prefunding Trust Fund (“CEPPT”), a special trust fund for the purpose of allowing eligible employers to prefund their required pension contributions to a defined benefit pension plan (each an “Employer Pension Plan”) by receiving and holding in the CEPPT amounts that are intended to be contributed to an Employer Pension Plan at a later date; and

WHEREAS, the CalPERS Board of Administration (“CalPERS Board”) has sole and exclusive control of the administration and investment of the CEPPT, the purposes of which include, but are not limited to (i) receiving contributions from participating employers; (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds; and, (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the CEPPT and to deposit employer contributions into Employer Pension Plans in accordance with their terms; and

WHEREAS, the City desires to participate in the CEPPT upon the terms and conditions set by the CalPERS Board and as set forth in the Agreement and Election of the City of Laguna Woods to Prefund Employer Contributions to a Defined Benefit Pension Plan (“Agreement”), attached hereto as Exhibit A; and

WHEREAS, the City, as an employer, may participate in the CEPPT upon (i) approval by the CalPERS Board and (ii) filing a duly adopted and executed Agreement as provided in the terms and conditions of the Agreement; and

WHEREAS, the CEPPT is a trust fund that is intended to perform an essential governmental function (that is, the investment of funds by a state, political subdivision or 115 entity) within the meaning of Internal Revenue Code Section 115 and Internal Revenue Service Revenue Ruling 77-261, and as an Investment Trust Fund, as defined in Governmental Accounting Standards Board (“GASB”) Statement No. 84, Paragraph 16, for accounting and financial reporting of fiduciary activities from the external portion of investment pools and individual investment accounts that are held in a trust that meets the criteria in Paragraph 11c(1); and

WHEREAS, the CEPPT is not an Internal Revenue Code Section 401(a) qualified trust and the assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Internal Revenue Code Section 401(a).

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

SECTION 1. The City Council hereby elects to participate in the CEPPT and approves the Agreement and Election of the City of Laguna Woods to Prefund Employer Contributions to a Defined Benefit Pension Plan (“Agreement”), attached hereto as Exhibit A, and authorizes the Mayor to execute the Agreement, subject to approval as to form by the City Attorney.

SECTION 2. The City Council hereby directs the Administrative Services Director/City Treasurer to file a true and correct original or certified copy of the Agreement with CalPERS and further authorizes the City Manager and the Administrative Services Director/City Treasurer to take additional actions necessary to follow the procedures and processes established by CalPERS to administer the CEPPT, carry out the purposes of the Agreement, and maintain the tax-exempt status of the CEPPT, including executing other related documents and certifications as may be necessary or advantageous.

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk

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CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST PROGRAM

**AGREEMENT AND ELECTION
OF**

(NAME OF EMPLOYER)

**to Prefund Employer Contributions to a Defined Benefit
Pension Plan**

WHEREAS (1) Government Code (GC) Section 21711(a) establishes in the State Treasury the California Employers' Pension Prefunding Trust Fund (CEPPT), a special trust fund for the purpose of allowing eligible employers to prefund their required pension contributions to a defined benefit pension plan (each an Employer Pension Plan) by receiving and holding in the CEPPT amounts that are intended to be contributed to an Employer Pension Plan at a later date; and

WHEREAS (2) GC Section 21711(b) provides that the California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control of the administration and investment of the CEPPT, the purposes of which include, but are not limited to (i) receiving contributions from participating employers; (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds; and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the CEPPT and to deposit employer contributions into Employer Pension Plans in accordance with their terms; and

WHEREAS (3) _____
(NAME OF EMPLOYER)

(Employer) desires to participate in the CEPPT upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the CEPPT upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Employer Contributions to a Defined Benefit Pension Plan (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The CEPPT is a trust fund that is intended to perform an essential governmental function (that is, the investment of funds by a State, political subdivision or 115 entity) within the meaning of Internal Revenue Code (Code) Section 115 and Internal Revenue Service Revenue Ruling 77-261, and as an Investment Trust Fund, as defined in Governmental Accounting Standards Board (GASB) Statement No. 84, Paragraph 16, for accounting and financial reporting of fiduciary activities from the

external portion of investment pools and individual investment accounts that are held in a trust that meets the criteria in Paragraph 11c(1).

WHEREAS (6) The CEPPT is not a Code Section 401(a) qualified trust and the assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a).

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Employer Representation and Warranty

Employer hereby represents and warrants that it is the State of California or a political subdivision thereof, or an entity whose income is excluded from gross income under Code Section 115(1).

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the CEPPT by adopting this Agreement and filing with the Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
CEPPT
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
CEPPT
400 Q Street
Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement. Employer shall provide the Board such other documents as the Board may request, including, but not limited to a certified copy of the resolution(s) of the governing body of Employer authorizing the adoption of the Agreement and documentation naming Employer's successor entity in the event that Employer ceases to exist prior to termination of this Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both the Board and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the CEPPT, to carry out the purposes of this Agreement, and to maintain the tax-exempt status of the CEPPT. Employer agrees to follow such procedures and processes.

C. Employer Reports Provided for the Board's Use in Trust Administration and Financial Reporting and Employer Contributions

(1) Employer shall provide to the Board a defined benefit pension plan cost report on the basis of the actuarial assumptions and methods prescribed by Actuarial Standards of Practice (ASOP) or prescribed by GASB. Such report shall be for the Board's use in trust administration and financial reporting and shall be prepared at least as often as the minimum frequency required by applicable GASB Standards. This defined benefit pension plan cost report may be prepared as an actuarial valuation report or as a GASB compliant financial report. Such report shall be:

- 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
- 2) prepared in accordance with ASOP or with GASB; and
- 3) provided to the Board prior to the Board's acceptance of contributions for the reporting period or as otherwise required by the Board.

(2) In the event that the Board determines, in its sole discretion, that Employer's cost report is not suitable for the Board's purposes and use or if Employer fails to provide a required report, the Board may obtain, at Employer's expense, a report that meets the Board's trust administration and financial reporting needs. At the Board's option, the Board may recover the costs of obtaining the report either by billing and collecting such amount from Employer or through a deduction from Employer's Prefunding Account (as defined in Paragraph D(2) below).

(3) Employer shall notify the Board in writing of the amount and timing of contributions to the CEPPT, which contributions shall be made in the manner established by the Board and in accordance with the terms of this Agreement and any procedures adopted by the Board.

(4) The Board may limit Employer's contributions to the CEPPT to the amount necessary to fully fund the actuarial present value of total projected benefit payments not otherwise prefunded through the applicable Employer Pension Plan (Unfunded PVFB), as set forth in Employer's cost report for the applicable period. If Employer's contribution would cause the assets in Employer's Prefunding Account to exceed the Unfunded PVFB, the Board may refuse to accept the contribution. If Employer's cost report for the applicable period does not set forth the Unfunded PVFB, the Board may

refuse to accept a contribution from Employer if the contribution would cause the assets in Employer's Prefunding Account to exceed Employer's total pension liability, as set forth in Employer's cost report.

(5) No contributions are required. Contributions can be made at any time following the effective date of this Agreement if Employer has first complied with the requirements of this Agreement, including Paragraph C.

(6) Employer acknowledges and agrees that assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a), and will not become assets of such a plan unless and until such time as they are distributed from the CEPPT and deposited into an Employer Pension Plan.

D. Administration of Accounts; Investments; Allocation of Income

(1) The Board has established the CEPPT as a trust fund consisting of an aggregation of separate single-employer accounts, with pooled administrative and investment functions.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the CEPPT (Employer's Prefunding Account). Assets in Employer's Prefunding Account will be held for the exclusive purpose of funding Employer's contributions to its Employer Pension Plan(s) and defraying the administrative expenses of the CEPPT.

(3) The assets in Employer's Prefunding Account may be aggregated with the assets of other participating employers and may be co-invested by the Board in any asset classes appropriate for a Code Section 115 trust, subject to any additional requirements set forth in applicable law, including, but not limited to, subdivision (d) of GC Section 21711. Employer shall select between available investment strategies in accordance with applicable Board procedures.

(4) The Board may deduct the costs of administration of the CEPPT from the investment income of the CEPPT or from Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income earned shall be allocated among participating employers and posted to Employer's Prefunding Account daily Monday through Friday, except on holidays, when the allocation will be posted the following business day.

(6) If, at the Board's sole discretion and in compliance with accounting and legal requirements applicable to an Investment Trust Fund and to a Code Section 115 compliant trust, the Board determines to its satisfaction that all obligations to pay defined benefit pension plan benefits in accordance with the applicable Employer Pension Plan terms have been satisfied by payment or by defeasance with no remaining risk regarding the amounts to be paid or the value of assets held in the

CEPPT, then the residual Employer assets held in Employer's Prefunding Account may be returned to Employer.

E. Reports and Statements

- (1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.
- (2) The Board, at its discretion but at least annually, shall prepare and provide a statement of Employer's Prefunding Account reflecting the balance in Employer's Prefunding Account, contributions made during the period covered by the statement, investment income allocated during such period, and such other information as the Board may determine.

F. Disbursements

- (1) Employer may receive disbursements from the CEPPT not to exceed, on an annual basis, the amount of the total annual Employer contributions to Employer's Pension Plan for such year.
- (2) Employer shall notify the Board in writing in the manner specified by the Board of the persons authorized to request disbursements from the CEPPT on behalf of Employer.
- (3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board, and the Board may rely conclusively upon such writing. The Board may, but is not required to, require that Employer certify or otherwise demonstrate that amounts disbursed from Employer's Prefunding Account will be used solely for the purposes of the CEPPT. However, in no event shall the Board have any responsibility regarding the application of distributions from Employer's Prefunding Account.
- (4) No disbursement shall be made from the CEPPT which exceeds the balance in Employer's Prefunding Account.
- (5) Requests for disbursements that satisfy the above requirements will be processed on at least a monthly basis.
- (6) The Board shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements, and is under no duty to make any investigation or inquiry about the correctness of such instruction. In the event of any other erroneous disbursement, the extent of the Board's liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the CEPPT, as determined by the Board and in accordance with Paragraph D.

H. Termination of Employer's Participation in the CEPPT

(1) The Board may terminate Employer's participation in the CEPPT if:

- (a) Employer's governing body gives written notice to the Board of its election to terminate; or
- (b) The Board determines, in its sole discretion, that Employer has failed to satisfy the terms and conditions of applicable law, this Agreement or the Board's rules, regulations or procedures.

(2) If Employer's participation in the CEPPT terminates for either of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the CEPPT, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D, and Employer shall remain subject to the terms of this Agreement with respect to such assets.

(3) After Employer's participation in the CEPPT terminates, Employer may not make further contributions to the CEPPT.

(4) After Employer's participation in the CEPPT terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After Employer's participation in the CEPPT terminates, the governing body of Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account to a trust dedicated to prefunding Employer's required pension contributions; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.

- (b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of defined benefit pension plan benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the CEPPT terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate. To the extent that assets remain in Employer's Prefunding Account, this Agreement shall remain in full force and effect.

(7) If, for any reason, the Board terminates the CEPPT, the assets in Employer's Prefunding Account shall be paid to Employer to the extent permitted by law and Code Section 115 after retention of (i) an amount sufficient to pay the Unfunded PVFB as set forth in a current defined benefit pension plan(s) cost report prepared in compliance with ASOP and the requirements of Paragraph C(1), and (ii) amounts sufficient to pay reasonable administrative costs of the Board. Amounts retained by the Board to pay the Unfunded PVFB shall be transferred to (i) another Code Section 115 trust dedicated to prefunding Employer's required pension contributions, subject to the Board's determination that such transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board's fiduciary duties or (ii) Employer's Pension Plan, subject to acceptance by Employer's Pension Plan.

(8) If Employer ceases to exist but Employer's Prefunding Account continues to exist, and if no provision has been made to the Board's satisfaction by Employer with respect to Employer's Prefunding Account, the Board shall be permitted to identify and appoint a successor to Employer under this Agreement, provided that the Board first determines, in its sole discretion, that there is a reasonable basis upon which to identify and appoint such a successor and provided further that such successor agrees in writing to be bound by the terms of this Agreement. If the Board is unable to identify or appoint a successor as provided in the preceding sentence, then the Board is authorized to appoint a third-party administrator or other successor to act on behalf of Employer under this Agreement and to otherwise carry out the intent of this Agreement with respect to Employer's Prefunding Account. Any and all costs associated with such appointment shall be paid from the assets attributable to Employer's Prefunding Account. At the Board's option, and subject to acceptance by Employer's Pension Plan,

the Board may instead transfer the assets in Employer's Prefunding Account to Employer's Pension Plan and terminate this Agreement.

(9) If the Board determines, in its sole discretion, that Employer has breached the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the CEPPT.

I. Indemnification

Employer shall indemnify, defend, and hold harmless CalPERS, the Board, the CEPPT, and all of the officers, trustees, agents and employees of the foregoing from and against any loss, liability, claims, causes of action, suits, or expense (including reasonable attorneys' fees and defense costs, lien fees, judgments, fines, penalties, expert witness fees, appeals, and claims for damages of any nature whatsoever) not charged to the CEPPT and imposed as a result of, arising out of, related to or in connection with (1) the performance of the Board's duties or responsibilities under this Agreement, except to the extent that such loss, liability, suit or expense results or arises from the Board's own gross negligence, willful misconduct or material breach of this Agreement, or (2) without limiting the scope of Paragraph F(6) of this Agreement, any acts taken or transactions effected in accordance with written directions from Employer or any of its authorized representatives or any failure of the Board to act in the absence of such written directions to the extent the Board is authorized to act only at the direction of Employer.

J. General Provisions

(1) Books and Records

Employer shall keep accurate books and records connected with the performance of this Agreement. Such books and records shall be kept in a secure location at Employer's office(s) and shall be available for inspection and copying by the Board and its representatives.

(2) Notice

(a) Any notice or other written communication pursuant to this Agreement will be deemed effective immediately upon personal delivery, or if mailed, three (3) days after the date of mailing, or if delivered by express mail or e-mail, immediately upon the date of confirmed delivery, to the following:

For the Board:

Filing by mail, send to:
CalPERS
CEPPT
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to:
CalPERS Mailroom
CEPPT
400 Q Street
Sacramento, CA 95811

For Employer:

(b) Either party to this Agreement may, from time to time by notice in writing served upon the other, designate a different mailing address to which, or a different person to whom, all such notices thereafter are to be addressed.

(3) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of this Agreement shall survive the termination of this Agreement.

(4) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(5) Necessary Acts; Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

(6) Incorporation of Amendments to Applicable Laws and Accounting Standards

Any references to sections of federal or state statutes or regulations or accounting standards shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

(7) Days

Wherever in this Agreement a set number of days is stated or allowed for a particular event to occur, the days are understood to include all calendar days, including weekends and holidays, unless otherwise stated.

(8) No Third Party Beneficiaries

Except as expressly provided herein, this Agreement is for the sole benefit of the parties hereto and their permitted successors and assignees, and nothing herein, expressed or implied, will give or be construed to give any other person any legal or equitable rights hereunder. Notwithstanding the foregoing, CalPERS, the CEPPT, and all of the officers, trustees, agents and employees of CalPERS, the CEPPT and the Board shall be considered third party beneficiaries of this Agreement with respect to Paragraph I above.

(9) Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

A majority vote of Employer's Governing Body at a public meeting held on the _____ day of the month of _____ in the year _____, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: _____

Name of Governing Body: _____

Name of Employer: _____

Date: _____

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____

ARNITA PAIGE
DIVISION CHIEF, PENSION CONTRACT AND PREFUNDING PROGRAMS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: _____

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RESOLUTION NO. 21-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DELEGATING AUTHORITY TO REQUEST DISBURSEMENTS FROM THE INTERNAL REVENUE CODE SECTION 115 IRREVOCABLE TRUST USED TO PREFUND EMPLOYER CONTRIBUTIONS TO A DEFINED BENEFIT PENSION PLAN THROUGH THE CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND CONTROLLED BY THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)

WHEREAS, the City contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits for employees; and

WHEREAS, California Government Code Section 21711(a) establishes in the State Treasury the California Employers' Pension Prefunding Trust Fund ("CEPPT"), a special trust fund for the purpose of allowing eligible employers to prefund their required pension contributions to a defined benefit pension plan (each an "Employer Pension Plan") by receiving and holding in the CEPPT amounts that are intended to be contributed to an Employer Pension Plan at a later date; and

WHEREAS, the CalPERS Board of Administration ("CalPERS Board") has sole and exclusive control of the administration and investment of the CEPPT; and

WHEREAS, the City desires to participate in the CEPPT; and

WHEREAS, the purposes of the CEPPT include disbursing contributed amounts and income thereon, if any, to pay an amount not-to-exceed the total annual employer contributions to the City's Employer Pension Plans for such year; and

WHEREAS, CalPERS' Delegation of Authority to Request Disbursements California Employers' Pension Prefunding Trust (CEPPT), attached hereto as Exhibit A, is used to formalize the process by which participating cities may request disbursements from the CEPPT.

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

SECTION 1. The City Council hereby delegates to the City Manager and the

Administrative Services Director/City Treasurer authority to request on behalf of the City disbursements from the CEPPT and to certify as to the purpose for which the disbursed funds will be used.

SECTION 2. The City Council hereby authorizes the Mayor to execute CalPERS’ Delegation of Authority to Request Disbursements California Employers’ Pension Prefunding Trust (CEPPT), attached hereto as Exhibit A, and further authorizes the City Manager and the Administrative Services Director/City Treasurer to file a true and correct original or certified copy of such form with CalPERS.

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2021.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 21-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2021, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk



California Public Employees' Retirement System
California Employers' Pension Prefunding Trust (CEPPT)
400 Q Street, Sacramento, CA 95811
www.calpers.ca.gov

Delegation of Authority to Request Disbursements
California Employers' Pension Prefunding Trust
(CEPPT)

RESOLUTION
OF THE

(GOVERNING BODY)

OF THE

(NAME OF EMPLOYER)

The _____ delegates to the incumbents
(GOVERNING BODY)

in the positions of _____ and
(TITLE)

_____, and/or
(TITLE)

_____ authority to request on behalf of the
(TITLE)

Employer disbursements from the Pension Prefunding Trust and to certify as to the purpose
for which the disbursed funds will be used.

By _____

Title _____

Witness _____

Date _____

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CEPPT Strategy 1



February 28, 2021

Objective

The CEPPT Strategy 1 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CEPPT Strategy 1 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 2, this portfolio has a higher allocation to equities than bonds. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 1	Annual Expense Ratio
\$19,364,172	0.25%

Composition

Asset Class Allocations and Benchmarks

The CEPPT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

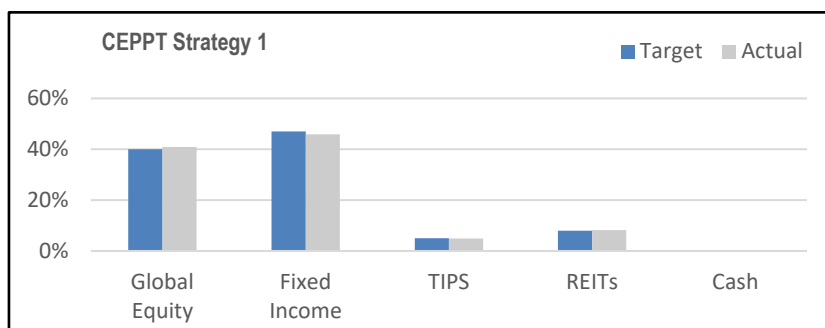
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	40%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	47%	± 5%	Bloomberg Barclays U.S. Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	91-Day Treasury Bill

Portfolio Benchmark

The CEPPT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



CEPPT Strategy 1 Performance as of February 28, 2021

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (October 1, 2019)
Gross Return ^{1,3}	0.47%	2.58%	12.15%	14.29%	-	-	-	10.94%
Net Return ^{2,3}	0.46%	2.52%	11.98%	14.03%	-	-	-	10.69%
Benchmark Return	0.60%	2.64%	12.05%	14.41%	-	-	-	11.05%
Standard Deviation ⁴	-	-	-	-	-	-	-	-

Performance quoted represents past performance, which is no guarantee of future results that may be achieved by the fund.

* Returns for periods greater than one year are annualized.

¹ Gross performance figures are provided net of SSGA operating expenses.

² Net performance figures deduct all expenses to the fund, including investment management, administrative and recordkeeping fees.

³ See the Expenses section of this document.

⁴ Standard deviation is based on gross returns.

CEPPT Strategy 1



February 28, 2021

General Information

Information Accessibility

The CEPPT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or by external managers. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. CalPERS provides a quarterly statement of the employer's account and other information about the CEPPT. For total market value, detailed asset allocation, investment policy and performance information, please visit our website at www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CEPPT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CEPPT, which includes: Global Equity, Fixed Income, Real Estate Investment Trusts, and Treasury Inflation-Protected Securities.

Custodian and Record Keeper

State Street Bank serves as custodian for the CEPPT. Northeast Retirement Services serves as recordkeeper.

Expenses

CEPPT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater reduction of investment return. Currently, CEPPT expense ratios are 0.25%. This equates to \$2.50 per \$1,000 invested. The expenses consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CEPPT Strategy 1 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CEPPT fund is a trust fund dedicated to prefunding employer contributions to defined benefit pension plans for eligible state and local agencies. CEPPT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CEPPT Principal Investment Risks" located at www.calpers.ca.gov.

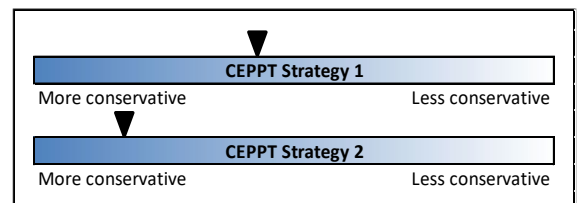
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employers' Pension Prefunding Trust.

CEPPT Strategy Risk Levels

CalPERS offers employers the choice of one of two investment strategies. Projected risk levels among risk strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2
Global Equity	40%	14%
Fixed Income	47%	73%
Treasury-Inflation Protected Securities	5%	5%
Real Estate Investment Trusts	8%	8%



CEPPT Strategy 2



February 28, 2021

Objective

The CEPPT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CEPPT Strategy 2 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 1, this portfolio has a lower allocation to equities and a higher allocation to bonds.

Historically, funds with a lower percentage of equities have displayed less price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 2	Annual Expense Ratio
\$10,034,968	0.25%

Note: Current asset allocation values and percentages are based on 3/1/2021 ending market values due to a significant employer contribution that was received in the fund on the last business day of the month (2/26/2021) and not fully reflected in the asset allocation until 3/1/2021.

Composition

Asset Class Allocations and Benchmarks

The CEPPT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

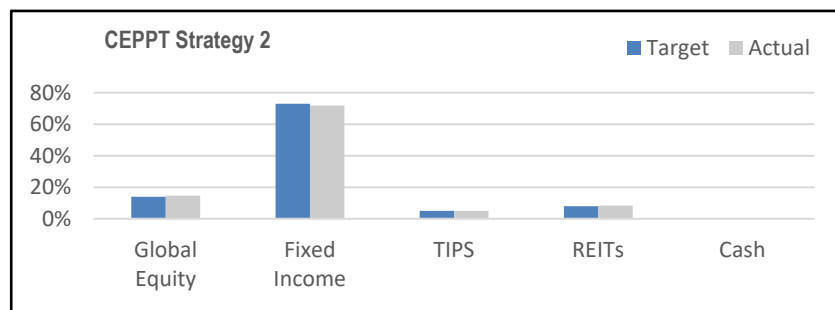
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	14%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	73%	± 5%	Bloomberg Barclays U.S. Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg Barclays U.S. TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	8%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	91-Day Treasury Bill

Portfolio Benchmark

The CEPPT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



CEPPT Strategy 2 Performance as of February 28, 2021

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (January 1, 2020)
Gross Return ^{1,3}	-0.52%	0.21%	4.87%	6.62%	-	-	-	6.61%
Net Return ^{2,3}	-0.54%	0.15%	4.71%	6.38%	-	-	-	6.36%
Benchmark Return	-0.46%	0.13%	4.69%	6.45%	-	-	-	6.44%
Standard Deviation ⁴	-	-	-	-	-	-	-	-

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CEPPT Strategy 2



February 28, 2021

General Information

Information Accessibility

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What Employers Own

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Price

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Principal Risks of the Portfolio

The CEPPT fund is a trust fund dedicated to prefunding employer contributions to defined benefit pension plans for eligible state and local agencies. CEPPT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations.

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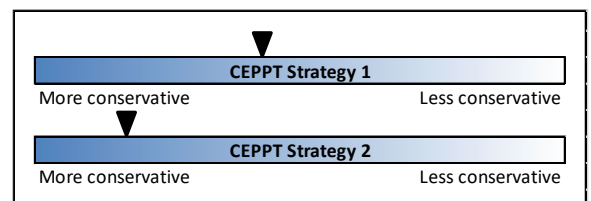
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8.4
CITY HALL/PUBLIC LIBRARY PROJECT

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