CITY OF LAGUNA HILLS
CITY COUNCIL

ADJOURNED REGULAR MEETING AGENDA
Saturday, March 11, 2017 – 9:00 AM

Don Sedgwick, Mayor

Melody Carruth, Mayor Pro Tempore **Dore J. Gilbert, M.D., Council Member**

Janine Heft, Council Member **Barbara D. Kogerman, Council Member**

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 92653

Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink “Request to Speak” form available on the table at the back of the Chamber. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council/Planning Agency. Completion of the form is voluntary. All persons may attend the meeting regardless of whether this form is completed.

Members of the public wishing to address the City Council can do so during the Public Comments portion of the Agenda with a time limitation of three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER KOGERMAN

ROLL CALL OF CITY COUNCIL MEMBERS

PUBLIC COMMENTS

This is the time to address the City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

1. MAYOR'S OPENING COMMENTS REGARDING WORKSHOP OBJECTIVES

2. CITY COUNCIL WORKSHOP ON MISSION, VISION, VALUES, AND CORE SERVICES

2.1 City Council Workshop on Mission, Vision, Values, and Core Services

Recommendation: That the City Council review and discuss its current Mission, Vision, Values, and Core Services for the purpose of confirming or modifying them for future use and reference.

3. FINANCIAL UPDATE

3.1 Financial Update

Recommendation: That the City Council receive a financial update from staff and discuss related issues.

4. PRESENTATION AND EVALUATION OF 2017-2019 MAJOR PLANS

4.1 City Council Evaluation and Rating of Proposed Major Plans

Recommendation: That the City Council evaluate and rate the proposed Major Plans.

5. DISCUSSION OF CITY COUNCIL AGENDA PROCESSES; MEETING PROTOCOLS; AND POLICIES AND PROCEDURES

5.1 Discussion of City Council Agenda Processes, Meeting Protocols, Policies and Procedures

Recommendation: That the City Council review, evaluate, and discuss agenda processes; meeting protocols; and City Council policies and procedures; and consider any changes, additions, deletions, or modifications related to same.

ADJOURNMENT

The next Regular Meeting of the City Council/Planning Agency will be March 14, 2017, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center by March 7, 2017 at 5:00 pm.

March 7, 2017

City Clerk ***Date***

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: **March 11, 2017**

TO: **Mayor and Council Members**

FROM: **Donald J. White**
Assistant City Manager

ISSUE: **City Council Workshop on Mission, Vision, Values, and Core Services**

RECOMMENDATION: That the City Council review and discuss its current Mission, Vision, Values, and Core Services for the purpose of confirming or modifying them for future use and reference.

BACKGROUND:

Every two years, the City Council conducts a review of the City's Mission, Vision, Values and Core Services. Furthermore, since the last City Council Workshop, a new City Council Member has been elected, making it appropriate to consider reviewing and/or modifying the City's current Mission, Vision, Values, and Core Services.

<u>Mission Statement</u>

In high-functioning and successful public agencies, Mission Statements establish an organization's purpose and focus. For the City, it is a statement of who we are, why we exist, and what we want to always keep in mind as we serve our constituency. Since its incorporation, the City has grown in size, service delivery, and diversity. Therefore, it is suitable for the City Council to consider confirming or modifying the City's current Mission Statement. Two years ago, the City Council reaffirmed the following Mission Statement:

> **"Provide high quality City services at an efficient cost to protect and enhance the quality of life in Laguna Hills"**

Please think about this statement and whether or not it reasonably reflects your own view of what the City's primary mission or purpose ought to be. The City Council can spend time modifying the current Mission Statement or developing an entirely new statement. If the current statement is acceptable, the City Council can simply confirm it as the City's Mission Statement and move on to the discussion of the City's Vision and Values.

Vision Statements

Vision Statements are utilized by organizations as forward-looking pathways for where they want to go in the future and how they plan to get there. Often, expressing a collective vision for a city's future is not as difficult as agreeing upon the priority order in which to undertake those desired future plans. Just as difficult, at times, can be reaching consensus on how to accomplish the City Council's vision for the future. However, it is beneficial to agree on the general foundation of where the City should head in the future. As the City continues its biennial budget process in the following months and deliberates on various budget goals and priorities, more definition of the City's short-term operational objectives will become clear.

Another trait of successful public agencies is having the willingness and discipline to identify and confront the current environment about the City's present condition and short- and long-term future. The City Manager will lead a brief discussion on this topic as a prelude to the City Council's determination of its vision for the next two years.

The City's Adopted General Plan, in many respects, represents the community's collective vision for our future. It is the product of extensive public outreach, input, and feedback. Additionally, it is also a big picture blueprint for the future of the City, and there are many other components to that vision-casting effort that can and should be embellished upon. In past workshops, the City Council developed a list of "vision statements" that they believed should guide the manner in which we implement the General Plan Goals and develop our Biennial Budgets. The list is as follows:

- Provide a high level of infrastructure maintenance
- Maintain significant communication with the public
- Protect and enhance the visual aspects of Laguna Hills
- Preserve and enhance economic development

- Maintain a fiscally sound structure of the city
- Maintain public safety
- Preserve the environment
- Prepare for the future
- Maintain or enhance core services
- Foster a unique identity/stress sense of community

The City Council should review each of the above statements, receive input from staff, and determine if it would like to make any modifications or additions.

Values

Values reflect how members of the City will carry out its Mission and Vision Statements. Previously, the City Council established the following values:

- Small government
- Lean, efficient, competent staff with high integrity, utilizing contract services to scale services as needs require
- Preserve our heritage
- Be open and transparent with the public
- Have strong financial policies
  - Be fiscally conservative, responsible, and stable to be good stewards for the City
  - Have strong financial policies and practices pertaining to budget, forecasting trends, capital improvements, and reserves
- Treat employees, the public, and one another with respect, acknowledging that employees are the daily face of the City and expect a strong customer orientation in providing services to the public

- Provide excellent quality of services with a strong customer service orientation

<u>Core City Services</u>

The City Council has previously identified what it considers to be the City's core services. "Core" was defined as the critical services that represent service priorities for the City and which, during times of service cutbacks, would be maintained. Five service areas were identified, as follows:

Public Safety

- Law enforcement
- Emergency preparedness
- School resource officers and crossing guards
- Fire and paramedics
- Animal services

Community services to residents

- Parks that are well maintained
- Recreation
- Youth services

Economic development

Land use planning and building safety services

Public works

- Well maintained landscape corridors
- Protection and maintenance of infrastructure (buildings, streets, parks, and other infrastructure)

Staff assumes that this list of core services has not changed. However, the City Council can spend time discussing this list of core services and deliberate on any proposed revisions.

"Building Blocks for Success" Model

Our “Mission, Vision, Values, and Core Services” have been graphically depicted in a diagram we call the “Building Blocks for Success” model. The model is a tiered structure with the following components:

- Guiding Themes for Success (General Plan)
- The Foundation of What We Do (Core Services, Mission, Values)
- The Extras That Make a Difference (Civic Design, Human Investment, Capital Investment)
- How We Succeed (Governance and Leadership, Organizational Culture/ Structure)
- Results and Rewards (Outcomes of the Building Blocks)

The model has been revised slightly over the years to incorporate some concepts that were identified during previous workshops. The most current edition is attached for your reference.

Staff has prepared and will present a PowerPoint presentation during the workshop to facilitate the City Council’s discussion.

ATTACHMENTS:

- Building Blocks for Success

City of Laguna Hills

Building Blocks for Success

- Exceptional Quality of Life
- Strong Property Values
- Sense of Community
- High Functioning Organization

"Results & Rewards"

- Highly Desirable Place to Live/ Work
- Sense of Safety
- Civic Pride
- Stronger Schools

Governance & Leadership	Organizational Culture/Structure
Council-Manager Form of Government Citizen Commissions Intergovernmental Relations	Contract Model Flexibility Customer Service Orientation Lean Staffing Low Turnover Competent Staff Esprit de Corps

"How We Succeed"

Civic Design	Human Investment	Capital Investment
Thematic Design & Elements Branding UVSP Realization Sustainability	Community Services Community Engagement Healthy Cities Initiative Public Art Signature Events Preserving our Heritage	New Facilities/Roads/Medians Open Space Enhancements Improved Circulation and Capacity

"The Extras That Make a Difference"

Core Services	Mission	Values
Public Safety Infrastructure Maintenance Building Safety Planning Solid Waste Economic Development Records Mgmt. Historical Archives Parks	Provide high quality city services at an efficient cost to protect and enhance the quality of life in Laguna Hills.	Fiscally Conservative Non-bureaucratic/Efficient Transparency Results over Process Professional, Responsive, Respectful, Ethical, Legal

"The Foundation of What We Do"

Protecting Environment & Open Space	Maintaining Community Safety	Sustaining Community Connections	Prepared for the Future	Focused Revitalization	Efficient Transportation System	Strong Community Identity	Healthy and Supportive Community For All Ages

"Guiding Themes for Success"

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: **March 11, 2017**

TO: **Mayor and Council Members**

FROM: **Donald J. White**
Assistant City Manager

ISSUE: **Financial Update**

RECOMMENDATION: That the City Council receive a financial update from staff and discuss related issues.

SUMMARY:

The March 11, 2017, City Council Workshop, marks the onset of the 2017/2019 Biennial Budget development process. City Council Financial Policy A.2 states that: *"The City will maintain a long-range fiscal perspective through the use of a two-year operating budget, six-year Capital Improvement Plan, and an 8-Year Resource Allocation Plan. The Budget will be developed and adopted with a sharp focus on long-term financial solvency and compliance with these Financial Policies."* In keeping with this policy statement we begin the process with a review of the City's updated 8-Year Plan and a discussion regarding the following three issues that could pose significant opportunities and challenges to the City moving forward:

1. Five Lagunas
2. Sheriff's Contract
3. Retirement Contributions

During the Workshop, staff will have a PowerPoint presentation to supplement the information in this report.

BACKGROUND:

8-Year Plan March 2017 Update

Attachment 1 to this report is the March update of the 8-Year Plan in the 2015-2017 Biennial Budget. As such, the Plan only goes through 2022-2023, or a six-year planning horizon. Future updates will include an eight-year planning horizon. Major changes from the last update in October include cost increases to the Sheriff's contract and long-term reduction in Gas Tax revenues. During the Workshop, staff will present a comparison between the October update and the present one. A discussion of changes in the Sheriff's contract are discussed below. For now, the 8-Year Plan assumes no changes to the current contract model or staffing complement.

Five Lagunas Impact

In the March update to the 8-Year Plan, the impact from the Five Lagunas project is phased in over three years beginning in Fiscal Year 2017-2018. Total revenues generated to the City include:

- $15,448,368 in Quimby fees and $2,200,000 in traffic impact fees.

- Net impact to sales tax of $700,000 is phased in over two years beginning in mid-Fiscal Year 2018-2019.

- Net property tax impact of $200,000 is phased in over two years beginning in 2018-2019.

This phase in of revenues assumes a completion date of the retail component of the project by November 2018 and full payment of all impact fees by the end of 2019-2020. In the event the project is delayed one year, there will be a significant, short-term negative impact on the 8-Year Plan that will require corrective action.

Sheriff's Contract

Attachment 2 to this report is the first estimate from the Sheriff's Department for the 2017-2018 contract year. The total estimate is $8,186,383, which represents a 7.31% increase over the current year contract. This follows an 8.5% increase last year. This increase, plus updated projections from the Sheriff, have significantly impacted the updated 8-Year Financial Plan. The 8-Year Plan presented to the City Council this past October during the mid-cycle budget review used the following projections provided by the Sheriff:

2017-2018: 2.41%

2018-2019: 2.07%

2019-2020: 2.35%

The updated projections from the Sheriff show increases of 7.31%, 4.14% and 3.58%. During the City Council Workshop, staff will present an extensive analysis of the City's contract with the Sheriff, but for the most part, the increases are directly attributable to increased retirement costs. Staff has estimated that of the $8,186,383 cost estimate for next year, about 28%, or $2.3M is for retirement contributions. When compared to the City's estimated operating budget next year it is 11.4%.

The City Council will recall that two years ago, following a study by Matrix Consulting, the City made significant cuts in the Sheriff's contract largely through revised cost sharing arrangements with Laguna Woods and Aliso Viejo. Based on the first estimate, those changes to the contract have a savings value of $727,000 next year. In addition, there have been past reductions in the contract. In the 2004-2005 contract year, the City deleted one Administrative Deputy position. In 2009-2010, the City deleted two deputy positions. Taken together, these changes have an additional contract savings value next year of $780,000. If the City had not taken the actions to curtail the contract beginning in 2004-2005, staff has estimated that the first estimate would be $1,507,000 higher, or $9,693,383.

It is staff's assessment that the current contract model for Police Services is unsustainable over the long-term. It is imperative that the City work with the Sheriff and other contract cities to explore changes to the contract model that will yield significant cost savings without compromising officer safety or the safety of the public.

PERS Projections

Recently, the CalPERS Board approved a phased in lowering of the discount rate from 7.5% to 7.0%. The staff at CalPERS has provided the City with some data to project the impact of this decision on future rates. Attachment 3 is a projection of retirement costs over the next six years. The normal cost rate (line 2 in Attachment 3) is projected to increase from a low of 7.964% in 2015-2016 to a high of 10.3% beginning in 2020-2021. The normal cost (line 3) is projected to increase from $257,061 in 2017-2018 to $369,679 in 2022-2023. This assumes a continued phase in of employee participation of .075% annually until employees are picking up their full 7% share (see line 4). In addition to the normal cost, the City is required to make payments on its unfunded accrued liability (UAL). As of June 30, 2015, the latest actuarial valuation from CalPERS, shows the City's UAL to be $2,318,898. This amount will increase due to the lowering of the discount rate, but CalPERS will not be able to provide this new UAL until July. The attached March update of the 8-Year Plan has the City paying off the $2,318,898 UAL by the end of the six-year planning horizon. This will have to be adjusted upwards once the City receives its new actuarial report. The UAL payments shown on line 7 in the attachment are the new minimum required payments toward the City's UAL. These increase from $124,000 in 2017-2018 to $396,000 in 2022-2023. The City's total minimum projected contributions to CalPERS shown on line 8, increase from $481,681 next year to $765,679 in 2022-2023. As a percentage of the General Fund budget, pension costs increase from 2.38% next year to 3.19% in 2022-2023 (see line 10). It is staff's assessment that this is manageable. However, it should be noted that for many public entities in the state, the lowering of the discount rate will prove very challenging, and in some cases will likely result in insolvency.

ATTACHMENTS:

- Attachment 1 - 8-Year Resource Allocation Plan
- Attachment 2 - First Estimate (SFP)
- Attachment 3 - CalPers Contribution Projections

ATTACHMENT 1

8-Year Resource Allocation Plan
(March, 2017 Update)

#		0 2016-17 (YEAR-END EST.)	1 2017-18 (FORECAST)	2 2018-19 (FORECAST)	3 2019-20 (FORECAST)	4 2020-21 (FORECAST)	5 2021-22 (FORECAST)	6 2022-23 (FORECAST)	#
1	**BEGINNING TOTAL FUND BALANCE**	**$12,148,972**	**$11,136,316**	**$18,124,858**	**$21,752,570**	**$26,751,924**	**$25,443,042**	**$25,727,056**	1
2	General Fund Revenues	20,992,591	21,541,546	22,602,413	23,904,647	24,582,846	25,225,268	25,885,559	2
3	Special Revenues	2,207,797	7,422,835	5,995,228	6,370,345	690,000	690,000	690,000	3
4	Other Funding Sources	632,129	649,689	668,378	689,408	712,985	738,057	763,861	4
5	Civic Center Transfers-in	0	100,000	100,000	100,000	100,000	100,000	100,000	5
6	**TOTAL REVENUES**	**$23,832,517**	**$29,714,070**	**$29,366,019**	**$31,064,400**	**$26,085,831**	**$26,753,325**	**$27,439,420**	6
7	Operating Expenditures	19,521,287	20,257,585	20,788,126	22,040,792	22,700,531	23,326,765	24,025,049	7
8	Capital Expenditures	3,474,499	602,378	2,976,300	1,717,626	2,624,654	1,000,000	2,500,000	8
9	Other Funding Uses	0	0	0	0	0	0	0	9
10	Elimination of PERS Unfunded Liability	0	0	133,000	196,000	180,000	250,000	1,641,000	10
11	Civic Center Transfers-out	0	0	0	0	0	0	0	11
12	Use of Reserve Funds (Civic Center/Insurances)	50,000	80,178	50,000	307,748	102,647	94,665	50,000	12
13	Debt Service	1,799,387	1,785,387	1,790,881	1,802,881	1,786,881	1,797,881	389,381	13
14	**TOTAL EXPENDITURES**	**$24,845,173**	**$22,725,528**	**$25,738,307**	**$26,065,047**	**$27,394,713**	**$26,469,311**	**$28,605,430**	14
15	Change in Total Fund Balance	*(1,012,656)*	*6,988,542*	*3,627,712*	*4,999,353*	*(1,308,881)*	*284,013*	*(1,166,010)*	15
16	**Ending Total Fund Balance**	**$11,136,316**	**$18,124,858**	**$21,752,570**	**$26,751,924**	**$25,443,042**	**$25,727,056**	**$24,561,045**	16
17	Less the Following Fund Balances:								17
18	Reservation for Debt Service	($1,804,588)	($1,804,588)	($1,804,588)	($1,804,588)	($1,804,588)	($1,804,588)	($389,381)	18
19	Non-Major Governmental Funds	($1,933,730)	($8,099,210)	($10,959,236)	($16,288,858)	($15,299,871)	($15,680,276)	($14,747,681)	19
20	**Unrestricted General Fund Balance**	**$7,397,998**	**$8,221,060**	**$8,988,746**	**$8,658,478**	**$8,338,583**	**$8,242,192**	**$9,423,983**	20
	Less the Following Designations:								
21	Total Capital Replacement Funds	(659,959)	(879,781)	(1,086,839)	(1,336,839)	(1,279,091)	(1,426,444)	(1,581,779)	21
22	Insurance Reserve Funds	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	22
23	**Unassigned General Fund Balance**	**6,538,039**	**7,141,279**	**7,701,907**	**7,121,639**	**6,859,492**	**6,615,748**	**7,642,204**	23
	Ratio Analysis								
24	Operating Ratio (>1.1)	1.01	1.01	1.04	1.04	1.04	1.04	1.10	24
25	Operating Surplus	304,046	248,263	791,784	850,382	908,420	938,678	2,334,990	25
26	Debt Service Ratio (<12%)	8%	8%	8%	7%	7%	7%	1%	26
27	Total Fund Balance Ratio	57%	89%	105%	121%	112%	110%	102%	27
28	Unrestricted General Fund Balance Ratio (>35%)	38%	41%	43%	39%	37%	35%	39%	28
29	Unassigned General Fund Balance Ratio (>25%)	33%	35%	37%	32%	30%	28%	32%	29
	Reserve Policy Analysis								
30	Minimum Unrestricted Fund Policy Reserve (35%)	6,832,450	7,090,155	7,275,844	7,714,277	7,945,186	8,164,368	8,408,767	30
31	Unrestricted Amount Over/(Under)	565,548	1,130,905	1,712,902	944,200	393,398	77,824	1,015,216	31
32	Minimum Unassigned Fund Policy Reserve (25%)	4,880,322	5,064,396	5,197,031	5,510,198	5,675,133	5,831,691	6,006,262	32
33	Unassigned Amount Over/(Under)	1,657,717	2,076,883	2,504,876	1,611,441	1,184,360	784,057	1,635,942	33

Revised 3/8/2017

ATTACHMENT 2

CITY OF LAGUNA HILLS

FISCAL YEAR 2017-18

FIRST ESTIMATE (SFP)

(February 1, 2017)

Share: Four (4) Sergeants with AV, LW (1/3 AV, 1/3 LH, 1/3 LW)

Add: FY 2017-18 Vacancy Credits (estimate)
(2) MDC - Motors

			SALARIES & EMPLOYEE BENEFITS							INDIRECT COSTS						
NO	DIRECT PURCHASE POSITIONS		SALARY	RELIEF TIME	OVERTIME	BENEFITS	POST PAY	SERVICES & SUPPLIES	TRANSP.	DEPT. OH	DIV. OH	TRAINING	COUNTY OH	OTHER	REVENUE	TOTAL
1	Lieutenant		170,221	0	0	160,253	0	6,242	0	6,257	23,356	2,674	3,762	0	0	372,765
1	Administrative Sergeant		128,877	0	0	130,036	12,071	6,242	0	6,257	26,054	2,674	3,115	0	0	315,326
1.33	Patrol Sergeant		171,406	0	0	172,950	16,054	8,302	0	8,322	34,652	3,556	4,143	0	0	419,385
2	Investigator		226,804	0	0	230,156	17,848	12,484	0	12,514	117,596	5,348	5,406	0	0	628,156
14	DS II Patrol		1,454,250	0	0	1,479,744	94,262	87,388	0	87,598	364,756	37,436	34,216	0	0	3,639,650
2	DS II Motorcycle		213,750	0	0	216,048	13,466	12,484	0	12,514	52,108	5,348	5,022	0	0	530,740
1	DS II - School Resource Officer		103,875	0	0	105,696	6,733	6,242	0	6,257	26,054	2,674	2,444	0	0	259,975
22.33	**Subtotal Safety**		$2,469,183	$0	$0	$2,494,883	$160,434	$139,384	$0	$139,719	$644,576	$59,710	$58,108	$0	$0	$6,165,997
2	Community Services Officer		105,914	0	0	66,552	0	12,484	0	12,514	52,108	0	2,340	0	0	251,912
1	Crime Prevention Specialist		54,267	0	0	31,245	0	6,242	0	6,257	1,803	0	1,199	0	0	101,013
3	**Subtotal Professional**		$160,181	$0	$0	$97,797	$0	$18,726	$0	$18,771	$53,911	$0	$3,539	$0	$0	$352,925
25.33	**TOTAL STAFF**															$6,518,922
	REGIONAL / SHARED STAFF															
0.6	Traffic - Sergeant	7.68%	6,257	0	1,706	6,089	556	288	377	288	622	123	188	0	0	16,494
4	Traffic - Deputy Sheriff II	7.68%	33,118	0	1,431	31,845	2,069	1,918	3,030	1,922	4,148	822	809	0	0	81,112
2	Traffic - Investigative Assistant	7.68%	9,657	0	45	6,322	0	959	0	961	1,638	0	214	0	0	19,796
1	Traffic - Office Specialist	7.68%	3,821	0	5	2,079	0	479	0	481	819	0	85	0	0	7,769
0.3	Auto Theft - Sergeant	3.70%	1,509	0	411	1,468	134	69	91	70	139	30	45	0	0	3,966
2	Auto Theft - Investigator	3.70%	8,625	0	1,179	8,352	661	463	1,318	463	924	198	231	0	0	22,414
1	Auto Theft - Investigative Assistant	3.70%	2,282	0	23	1,511	0	232	0	232	357	0	51	0	0	4,688
1	Auto Theft - Office Specialist	3.70%	1,889	0	43	1,006	0	232	0	232	357	0	43	0	0	3,802
1	DET Sergeant	6.51%	8,748	0	6,605	8,924	786	406	0	407	2,495	174	357	0	0	28,902
1	DET Investigator	6.51%	7,723	0	4,351	7,657	581	406	0	407	2,495	174	280	0	0	24,074
1	Subpoena - Office Specialist	6.34%	3,180	0	119	1,717	0	396	0	397	114	0	70	0	0	5,993
2	Courts - Investigative Assistant	10.88%	13,837	0	697	9,167	0	1,358	311	1,361	392	0	321	0	0	27,444
0.5	Motorcycle Sergeant (Shared with MV)	6.90%	4,548	0	896	4,632	416	215	0	216	880	92	130	0	0	12,025
17.40	**Subtotal**		$105,194	$0	$17,511	$90,769	$5,203	$7,421	$5,127	$7,437	$15,380	$1,613	$2,824	$0	$0	$258,479

CITY OF LAGUNA HILLS

FISCAL YEAR 2017-18

FIRST ESTIMATE (SFP)

(February 1, 2017)

Share: Four (4) Sergeants with AV, LW (1/3 AV, 1/3 LH, 1/3 LW)

Add: FY 2017-18 Vacancy Credits (estimate)
(2) MDC - Motors

		SALARIES & EMPLOYEE BENEFITS							INDIRECT COSTS						
NO	ADDITIONAL COSTS/REVENUE	SALARY	RELIEF TIME	OVERTIME	BENEFITS	POST PAY	SERVICES & SUPPLIES	TRANSP.	DEPT. OH	DIV. OH	TRAINING	COUNTY OH	OTHER	REVENUE	TOTAL
	Overtime			621,603	46,296							14,173			682,072
	Estimate: Vacancy Credit (FY 2017-18)												(126,827)		(126,827)
	Annual Leave (Pay Downs & Termination Pay)												47,237		47,237
	Bilingual Pay												22,316		22,316
	BSCC Local Assistance Funding														0
	Contract Administration												26,387		26,387
	Data Line						6,617								6,617
	Direct S & S						29,585								29,585
8	E-Citation												8,766		8,766
	Enhanced Helicopter Response Services							19,617							19,617
	Facility Lease						37,508								37,508
	Holiday Pay: Comp & Straight Time												116,393		116,393
	Integrated Law & Justice Agency of Orange County												2,537		2,537
	MDC - Acquisition														0
18.5	MDC - Recurring Cost												76,819		76,819
	On-Call Pay												19,308		19,308
	Patrol Video System (PVS) - Acquisition														0
11.5	Patrol Video System (PVS) - Recurring Costs												28,664		28,664
	Patrol Training Cost Allocation (FTB)										140,179				140,179
	Retirement Rate Discount, FY 2017-18 (Gross)														0
	Retirement Rate Discount (Expenses for Interest and Issuance)														0
	Revenue/False Alarms													(10,200)	(10,200)
	Revenue/Training Reimbursement													(2,234)	(2,234)
	Transportation - Vehicle Fuel, Mileage Interest and Maint., etc.							284,238							284,238
	Subtotal	**$0**	**$0**	**$621,603**	**$46,296**	**$0**	**$73,710**	**$303,855**	**$0**	**$0**	**$140,179**	**$14,173**	**$221,600**	**($12,434)**	**$1,408,982**
	FY 2017-18 - FIRST ESTIMATE CONTRACT TOTAL	**$2,734,558**	**$0**	**$639,114**	**$2,729,745**	**$165,637**	**$239,241**	**$308,982**	**$165,927**	**$713,867**	**$201,502**	**$78,644**	**$221,600**	**($12,434)**	**$8,186,383**
	FY 2016-17 - FINAL ADJUSTED CONTRACT TOTAL	**$2,665,205**	**$0**	**$614,820**	**$2,448,982**	**$167,901**	**$190,434**	**$298,410**	**$151,420**	**$649,942**	**$196,479**	**$78,621**	**$183,650**	**($16,983)**	**$7,628,880**
		2.60%	0.00%	3.95%	11.46%	-1.35%	25.63%	3.54%	9.58%	9.84%	2.56%	0.03%	20.66%	-26.79%	7.31%
		$69,353	$0	$24,294	$280,763	($2,264)	$48,807	$10,572	$14,507	$63,925	$5,023	$23	$37,950	$4,549	$557,503

Orange County Sheriff-Coroner Department
Law Enforcement Contract (LEC)
Assumptions
FY 2017-18 – First Estimate

The Law Enforcement Contract First Estimate Cost Study has been updated for FY 2017-18. Cost reflects statistical data from FY 2015-16 and updated rates from the 2016 Strategic Financial Plan (SFP) instructions. Below are the assumptions used in the LEC FY 2017-18 First Estimate.

Direct Personnel Cost:

- Annual Hours of 2,080 are projected based on the number of paid days in FY 2017-18.

- Salary & Wages are projected for the following groups based on MOU:
  - Orange County Employees Association (OCEA)
    - 2.5% Cost of Living Adjustment (COLA) effective 7/7/17
    - A one-time lump sum payment of $500
  - Orange County Management Association (OCMA)
    - 2.75% for performance compensation effective 7/7/17
  - Association of Orange County Deputy Sheriffs (AOCDS)
    - 1.5% COLA effective 7/7/17
    - 1.5% COLA effective 1/5/18
  - Association of County Law Enforcement Managers (ACLEM)
    - 1.5% COLA effective 7/7/17
    - 1.5% COLA effective 1/5/18

- Employee Benefits are updated based on 2016 SFP Instructions and will be updated once County Budget rates for FY 2017-18 are finalized:
  - Retirement

Group	FY 2016-17	FY 2017-18	Increase %	Variance
Association of Orange County Deputy Sheriffs (AOCDS)	67.320%	72.15%	4.83%	7.17%
Law Management (ML)	67.020%	70.95%	3.93%	5.86%
General	32.190%	32.71%	0.52%	1.62%

  - STAR Cola
  - Unemployment
  - Insurance (Health, Dental, Life, Accidental Death & Dismemberment, Health & Welfare)
  - Workers' Compensation
  - Management Optional Benefit Plan (MOBP)

- Services and Supplies (S&S)
  - Services and Supplies cost is based on actual FY 2015-16 costs.
  - Liability insurance is projected based on the FY 2016-17 rate and will be updated once County Budget rates for FY 2017-18 are finalized.

- Overheads- Includes Department, Division, Training and County Wide Cost Allocation (CWCAP) are updated to reflect the most current staffing level based on SFP rates and will be updated once County Budget rates for FY 2017-18 are finalized.

Shared or Regional Staff Positions

- The Shared or Regional Staff positions include Direct Enforcement Team (DET), Regional Traffic, Auto Theft, and In-custody costs which are allocated based on FY 2015-16 actual statistics. The Subpoena Clerk's cost is allocated based on the city's direct purchased Deputy Sheriff II (DSII), Investigators, and Community Services Officer (CSO) positions. Rates are based on the 2016 SFP and will be updated once County Budget rates are finalized.

- The Motorcycle Sergeant cost is 50% of one Full Time Equivalent (FTE) position and the cost is allocated to each participating city based on the number of motorcycle deputies. Rates are based on the 2016 SFP and will be updated once County Budget rates are finalized.

Additional Cost/Revenue

- The following are updated based on FY 2015-16 actual cost or revenue:
  - Direct Service and Supplies
  - Data line charge
  - Transportation Cost
  - POST Training Reimbursement
  - Annual Leave Pay (Consist of Termination Pay and Annual Leave pay down)
  - Integrated Law & Justice Agency of Orange County (ILJAOC)
  - Air Support (Enhanced Helicopter Response Services)

- The following categories are pending updates:
  - Bilingual Pay
  - On-Call Pay
  - Mobile Data Computer
  - Patrol Video System
  - E-Citation
  - Straight time/Holiday Pay
  - Overtime Costs
  - Patrol Training reflects the administrative and overtime backfill costs
  - Southeast Substation Facility Lease

- FY 2016-17 contract data are used in the following categories, no projections are made (to be updated at 2nd Estimates):
  - Estimated Vacancy credit
  - False Alarm Revenue

ATTACHMENT 3

CalPERS
Contribution Projections

		2015-16 (Actual)	2016-17 (Year-end Est.)	2017-18 (Forecast)	2018-19 (Forecast)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	
1	Payroll	2,791,681	2,854,399	$3,096,000	$3,188,880	$3,284,546	$3,383,083	$3,484,575	$3,589,113	1
2	Normal Cost Rate	7.964%	8.262%	8.303%	8.800%	9.300%	10.300%	10.300%	10.300%	2
3	Normal Cost	$ 222,329	$ 235,830	$ 257,061	$ 280,621	$ 305,463	$ 348,458	$ 358,911	$ 369,679	3
4	City Paid Employee Rate	4.75%	4.00%	3.25%	2.50%	1.75%	1.00%	0.25%	0.00%	4
5	City Paid Employee Cost	$ 132,605	$ 114,176	$ 100,620	$ 79,722	$ 57,480	$ 33,831	$ 8,711	$ -	5
6	City Paid Normal Cost, including Employee portion	$ 354,934	$ 350,006	$ 357,681	$ 360,343	$ 362,942	$ 382,288	$ 367,623	$ 369,679	6
7	UAL	69,658	90,796	$ 124,000	$ 179,000	$ 239,000	$ 292,000	$ 349,000	$ 396,000	7
8	Total Pension Obligation	$ 424,592	$ 440,802	$ 481,681	$ 539,343	$ 601,942	$ 674,288	$ 716,623	$ 765,679	8
9	General Fund Budget	17,535,045	19,718,471	20,257,585	20,788,126	22,040,792	22,700,531	23,326,765	24,025,049	9
10	Pension Cost as % of GF Budget	2.42%	2.24%	2.38%	2.59%	2.73%	2.97%	3.07%	3.19%	10
11	General Fund Revenues	20,639,235	20,992,591	21,541,546	22,602,413	23,904,647	24,582,846	25,225,268	25,885,559	11
12	Pension Cost as % of GF Revenues	2.06%	2.10%	2.24%	2.39%	2.52%	2.74%	2.84%	2.96%	12

3/8/2017

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: **March 11, 2017**

TO: **Mayor and Council Members**

FROM: **Donald J. White**
Assistant City Manager

ISSUE: **City Council Evaluation and Rating of Proposed Major Plans**

RECOMMENDATION: That the City Council evaluate and rate the proposed Major Plans.

BACKGROUND:

Every two years, the City Council and staff devote a considerable amount of time and effort to establish the priorities, policies, and projects that set the framework of the City's Biennial Budget. It has been the City's practice to set aside time early in the process for the City Council to evaluate Major Plans from the Parks & Recreation and Traffic Commissions, individual City Council Members, and City staff.

<u>Major Plan Requirements</u>

A project or program qualifies as a Major Plan provided any of the following statements are true:

a) It is a first-time discretionary project that will cost the City over $25,000 annually;

b) It is a first-time discretionary project that occurs only once and will cost the City over $50,000 in the upcoming budget cycle;

c) It is a discretionary project that significantly reallocates staffing resources;

d) It is a new discretionary project that is highly visible or controversial thereby warranting City Council review and consideration.

In addition, Major Plans are not capital projects like constructing or renovating parks, roads, or other public facilities. As a result, Major Plans impact the City's operating budget and not the Capital Improvement Program budget.

Proposed Major Plan Rating

Each City Council member is asked to rate the Major Plan by individually assigning the following numbers based on their interest in pursuing the Plan: (2) high priority; (1) low priority; and (0) no interest. All individual ratings are then combined and divided by five. Those Major Plans receiving an average rating of 1.4 or higher, or those receiving a rating of "2" by at least three City Council members, will move forward in the budget process and be assigned to the appropriate department for preliminary budgeting purposes. However, there is a possibility that some Major Plans may not be included in the City Manager's proposed budget that will be considered by the City Council at the May 12, 2017, Operating Budget Study Session if to do so would conflict with the City's Financial Policies. The City Manager will inform the City Council of any such action at which time the City Council will have the opportunity to reconsider the deleted Major Plan's funding priority in light of the entire budget. The rating results of proposed Major Plans will be included in the Appendix section of the City's Biennial Budget.

Proposed Major Plans

Traffic Commission

1. Develop a Golf Cart Transportation Plan to authorize golf carts to cross Paseo de Valencia and traverse other streets (≈ $50,000 to $75,000)

Parks & Recreation Commission

2. Install holiday decorations within the City's medians to include lights and banners (≈ $50,000 to $75,000)

3. Establish a City branding campaign and incorporate the brand throughout the City, such as its entry ways and within City parks (≈ $50,000 to $70,000)

General Government

4. Conduct a Recreational Needs Assessment and Master Plan for the Community Center and Sports Complex (≈ $75,000 to $100,000)

Non-Departmental

5. Upgrade all technology and audio-visual systems in the City Council Chamber (≈ $95,000)

Community Development

6. Complete a draft Sign Ordinance update to reflect new case law and propose streamlining the approval process (≈ $75,000)

7. Evaluate the Alicia Gateway to identify possible land use change and redesign opportunities for the area (≈ $50,000)

Public Services

8. Develop a five-year plan for parks and recreational facilities to be funded with development fees from Five Lagunas (In-House)

Council Member Janine Heft

9. Join the Chamber of Commerce as a top tier sponsor ($5,000 annually)

10. Develop and implement a citywide Christmas decoration plan for Thanksgiving through January 1st and a patriotic holiday decoration plan for Memorial Day through July 4th (≈ $50,000 to $75,000)

FISCAL IMPACT:

There is no direct Fiscal Impact associated with any decisions at the City Council Workshop. The specific cost of each Major Plan that makes it into the City Manager's proposed operating Budget will be identified at the May 12, 2017, Operating Budget Study Session.

City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: March 11, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Discussion of City Council Agenda Processes, Meeting Protocols, Policies and Procedures

RECOMMENDATION: That the City Council review, evaluate, and discuss agenda processes; meeting protocols; and City Council policies and procedures; and consider any changes, additions, deletions, or modifications related to same.

BACKGROUND:

The City Council has established a practice of conducting a workshop every other year for the purpose of determining and/or affirming the City Council's policies and procedures. Provided below is information related to past City Council discussions of such matters as City Council-City staff relations as well as how individual Council Members can place a report on the City Council Meeting Agenda. Also listed is a list of required training for City Council members, pursuant to state law. Finally, for possible consideration, are listed several other Council policies, procedures, and business protocols pertaining to the conduct of City Council meetings and the handling of routine matters. The City Council may choose to discuss some or all of the listed items below and provide staff with new direction, as necessary.

Council Policies and Procedures

There are several routine business practices and Council protocols that the City Council has established during previous workshops. For the most part they appear to be working well for both the City Council and staff. Nevertheless, it is the practice of the City to regularly review these business practices and protocols and either confirm or make modifications, as appropriate.

1. *Practice for placing items on the agenda*

   Past concerns related to placing items on the agenda included utilization of staff time for Council generated agenda items, an interest in having a mechanism for individual Council Members to surface issues, and how items are framed on the agenda. The practice for placing items on the agenda was discussed and formally approved as a City Council Policy during the last City Council workshop. A copy of the "City Council Agenda Item Placement Policy" has been included as an attachment to this staff report for review and discussion.

2. *Communication with staff*

   The City Manager and City Council agreed to follow existing practices, as described below:

   a) Council Members communicating with staff will be limited to the City Manager, Assistant City Manager, or Department Heads. It is not appropriate for Council Members to contact staff below the Department Head level.

   b) Department Heads inform the City Manager of all Council Member contacts.

   c) Council Members send a copy to the City Manager of all emails they send to Department Heads.

   d) The City Manager provides the same substantive information to all Council Members.

   e) A Council Member's request for staff assistance or information should not require more than one hour of staff time.

   f) Council Members contact the City Manager, Assistant City Manager, or a Department Head regarding issues or questions they have about agenda items prior to City Council meetings. The purpose of this is to either answer the question(s) in advance, or to ensure that staff can fully answer the question(s) at the City Council Meeting. Council Members and staff all benefit from staff being fully prepared by knowing such issues or questions in advance. Additionally, if a Council Member can have his/her question(s) answered prior to the meeting, it will save the time of the other Council Members and the public at the meeting.

g) The City Manager provides information to the City Council as soon as it is available.

h) Council Members let the City Manager know any information they have that they wish to be conveyed to other Council Members. The purpose of this is to ensure their colleagues are informed about matters that an individual Council Member has knowledge about and wishes to share with others while being mindful of the constraints of the Brown Act.

i) Council Members inform the City Manager when they meet with staff from another public agency. Additionally, Council Members make it clear they are not representing the City Council, unless they are in the meeting as a designated representative of the Council.

j) Council Members are mindful that their requests for City Attorney research or assistance costs money.

3. *Time limits on speakers including City Council Members*

For the past two years, the City Council has expressed a desire to limit all speakers to three minutes, including City Council Members. With the election of a new Council Member this last fall, it seems appropriate to include discussion of this practice for review and, if so desired, for modification.

4. *Required trainings for City Council Members*

Pursuant to state law, City Council Members are required to receive biennial Ethics training and Sexual Harassment Prevention training. The City Attorney has prepared the attached Memorandum so as to provide essential information related to mandatory trainings for all City Council Members.

5. *Protocol for providing financial support to community organizations*

While the City periodically receives requests from various community organizations for financial assistance, it does not have a formal policy currently in place. By practice, however, the City has generally not provided financial support to community organizations, with the exception of the marine support committee.

6. *City Council Meeting Procedures*

There are various legislative, quasi-legislative, and procedural components within the City's regular City Council meetings. These components should be regularly reviewed to ensure the City Council adheres to the appropriate procedural steps as it determines its actions and findings.

ATTACHMENTS:

- City Council Policy No. 120 - Council Member Agenda Items

CITY OF LAGUNA HILLS

CITY COUNCIL POLICY
SUBJECT: PROCEDURES FOR COUNCIL MEMBERS TO PLACE ITEMS ON A CITY COUNCIL AGENDA
POLICY NO. 120

Effective Date: *April 14, 2015*
Last Revision: *April 14, 2015*

PURPOSE:

To establish guidelines for City Council Members to place items on a City Council Agenda.

POLICY:

It shall be a policy of the City of Laguna Hills to follow a prescribed procedure regarding the placement of items on a City Council Agenda.

PROCEDURE:

1) The City Clerk assembles a preliminary agenda based on input she receives from Department Heads and the City Manager regarding reports they are preparing for the meeting.

2) All reports are due to the City Clerk by 5:00 p.m. on Tuesday, one week in advance of the scheduled meeting.

3) Any Council Member who wishes to place a report on the Agenda must submit their report in writing to the City Clerk by the same deadline as stated above. At a minimum, the report must: (1) set forth a subject matter that reasonably describes the issue to be presented for consideration by the City Council; and (2) the report must contain a recommendation if the Council Member desires a specific action to be taken by the City Council at the meeting. Council Members <u>may</u> provide background information as a part of their report and attachments or exhibits that they believe will be helpful to their presentation and with gaining support for their recommended action. Council Members <u>may</u> request limited assistance from staff with obtaining copies of existing materials and/or data related to their agenda report, provided said assistance does not require any new work or independent analysis to be performed and in the aggregate, does not require more than one-hour of staff time.

4) The City Clerk reviews all staff reports for grammar, spelling, appearance, and format, ensuring that all supporting materials or documents are attached and complete.

5) The City Manager reviews all reports for content, clarity, and recommended action(s), making changes as he deems appropriate and/or making requests for additional information that he believes are necessary to present the Council with a complete report. The City Manager may exercise his sole discretion and judgment in deciding the content and timing of all agenda items, with the exception of reports that are specifically requested by a majority of the City Council or actions that are required by law.

ATTACHMENTS:

- NONE