



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, February 9, 2021 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Erica Pezold, Mayor

Don Sedgwick, Mayor Pro Tempore

Bill Hunt, Council Member

Janine Heft, Council Member

Dave Wheeler, Council Member

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

NOTICE REGARDING CORONAVIRUS (COVID-19): Please be advised that some, or all, of the City Council Members may attend this meeting via teleconference. This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. If you wish to attend the City Council meeting in person, the City Council Chamber is located at 24035 El Toro Road, Laguna Hills, CA 92653. The public shall have the right to observe and offer public comment at this location. If you plan on attending, please follow the California Department of Health Guidelines by wearing a mask, washing your hands often, refraining from handshakes and maintaining social distance of six feet between individuals. You may also view the live stream of the meeting online at <http://lagunahillsca.igm2.com/Citizens/Default.aspx>.

Submission of Public Comments: While you may attend this meeting in person, given the health risks associated with COVID-19, the City encourages those wishing to make public comments at the February 09, 2021, City Council meeting, to submit your comments by email to the City Clerk at publiccomments@lagunahillsCA.gov, by 5:00 p.m. on February 9, 2021. In the subject line of the email, please state your name and the item number you are commenting on. Any public comment received that does not specify a particular agenda item number will be announced during the general public comment portion of the agenda. If you wish to submit a public comment on more than one agenda item, please send a separate email for each item you are commenting on. All comments received by 5:00 p.m. on the date of the meeting will be provided to the City Council in advance to allow time for the Council Members to read them. Email comments will NOT be read by the City Clerk during the meeting, but will be announced and made part of the record. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, Twitter, etc.) will not be accepted.

Announcement of Public Comments: During the applicable agenda item, the City Clerk will announce the name of the sender and subject matter of all email comments received by 5:00 p.m. on February 9, 2021. The email comments, including your name, will become part of the record of the City Council meeting and will be public information.

GENERAL BUSINESS - CONVENING AT 7:00 PM**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**ROLL CALL OF CITY COUNCIL MEMBERS****1. PRESENTATIONS AND PROCLAMATIONS****1.1 Appointment of Laguna Hills High School Student Liaisons Kourosh Arfania and Darya Ardehali for the Spring 2021 Semester**

Recommendation: That Mayor Pezold present Certificates of Appointment to Laguna Hills High School Student Liaisons Kourosh Arfania and Darya Ardehali.

1.2 Laguna Hills High School Student Liaison

Recommendation: That the City Council receive an oral report from Laguna Hills High School Student Liaison Kory Arfania.

1.3 Recognition of Outgoing Parks and Recreation Commissioners David Robbins and Victoria Auer

Recommendation: That Mayor Pezold present Certificates of Recognition to David Robbins and Victoria Auer recognizing their service to the City.

1.4 Recognition of Outgoing Traffic Commissioners Larry Woodruff and Chris Mackey

Recommendation: That Mayor Pezold present Certificates of Recognition to Larry Woodruff and Chris Mackey recognizing their service to the City.

1.5 Oaths of Office and Certificates of Appointment for Two Parks and Recreation Commissioners and Three Traffic Commissioners

Recommendation: That Mayor Pezold administer the Oaths of Office and present Certificates of Appointment to Parks and Recreation Commissioners Don Caskey

and Patricia Thee and Traffic Commissioners Manuel Hernandez, Mark Schaff, and Susan Caskey.

2. 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.

3. CONSENT CALENDAR

All matters listed under “CONSENT CALENDAR” are considered to be routine and will be enacted by one motion approving the recommendation listed on the Agenda. There will be no separate discussion unless Members of the City Council or Staff request specific items be removed from the Consent Calendar.

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all ordinances and resolutions on the agenda and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for January 26, 2021, Special Meeting

Recommendation: That the City Council approve the Minutes for the January 26, 2021, Special Meeting.

3.3 Approval of Minutes for January 26, 2021, Regular Meeting

Recommendation: That the City Council approve the Minutes for the January 26, 2021, Regular Meeting.

3.4 Ratification of February 9, 2021, Warrant Register

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from January 15, 2021 to January 28, 2021, in the amount of \$146,746.58.

3.5 City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus

Recommendation: That the City Council review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus

3.6 Civic Center Second Quarter Financial Report for Fiscal Year 2020/2021

Recommendation: That the City Council receive and file the report.

3.7 Amendment No. 2 to Office Lease with Koorosh Hosn, D.D.S., for 24031 El Toro Rd, Suite 230, Laguna Hills, California

Recommendation: That the City Council approve Amendment No. 2 to the Office Lease with Koorosh Hosn, D.D.S., a professional corporation, for 24031 El Toro Road, Suite 230, Laguna Hills, California, and authorize the City Manager to execute the Amendment.

3.8 Amendment No. 2 to Consulting Services Agreement with Kelly Associates Management Group, LLC for Strategic Planning, Economic Development, and Project Management Consulting Services for the Processing of the Proposed Village at Laguna Hills Project, Located at the Site of the Former Laguna Hills Mall

Recommendation: That the City Council approve Amendment No. 2 to Consulting Services Agreement with Kelly Associates Management Group, LLC, for Strategic Planning, Economic Development, and Project Management Consulting Services for the Processing of the Proposed Village at Laguna Hills Project, Located at the Site of the Former Laguna Hills Mall, and authorize the Mayor to execute Amendment No. 2.

3.9 Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc.

Recommendation: That the City Council approve Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc., and authorize the City Manager to execute the Agreement

3.10 Citywide Photo Contest Selections

Recommendation: That the City Council receive and file this report.

ITEMS REMOVED FROM THE CONSENT CALENDAR**4. PLANNING AGENCY****4.1. ROLL CALL OF PLANNING AGENCY MEMBERS****4.2. PUBLIC COMMENTS**

This is the time to address the Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Planning Agency. 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.

4.3. APPROVAL OF MINUTES**4.3.1 Approval of Minutes for January 26, 2021, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the January 26, 2021, Regular Meeting.

4.4. ADMINISTRATIVE REPORTS**4.5. PLANNING AGENCY PUBLIC HEARINGS****PLANNING AGENCY ADJOURNMENT****PUBLIC IMPROVEMENT CORPORATION****CONVENE PUBLIC IMPROVEMENT CORPORATION****ROLL CALL OF PUBLIC IMPROVEMENT CORPORATION****PUBLIC COMMENTS**

This is the time to address the Board of Directors on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Board of Directors. 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.

ELECTION OF PUBLIC IMPROVEMENT CORPORATION OFFICERS**Election of Public Improvement Corporation Officers**

Recommendation: That the Board of Directors adopt a Resolution entitled: "A Resolution of the Laguna Hills Public Improvement Corporation, Laguna Hills, California, Electing Officers for 2021."

APPROVAL OF MINUTES FOR FEBRUARY 11, 2020, ANNUAL MEETING**Approval of the Public Improvement Corporation Minutes for the February 11, 2020, Annual Meeting**

Recommendation: That the Board of Directors approve the minutes of the February 11, 2020, Annual Meeting.

PUBLIC IMPROVEMENT CORPORATION ADJOURNMENT**RECONVENE CITY COUNCIL MEETING****5. CITY COUNCIL PUBLIC HEARINGS****6. ADMINISTRATIVE REPORTS****6.1. City Manager****6.2. City Attorney****6.2.1 Appointment of Interim City Manager and Approval of Interim City Manager Employment Agreement**

Recommendation: That the City Council:

- 1) Receive an oral report providing a summary of proposed changes to the annual base salary and benefits for Kenneth H. Rosenfield, P.E., Assistant City Manager/Public Services Director/City Engineer, to serve as Interim City Manager; and,
- 2) Appoint Assistant City Manager/Public Services Director/City Engineer Kenneth H. Rosenfield, P.E., as Interim City Manager of the City of Laguna Hills, effective February 10, 2021, to serve at the direction and pleasure of the City Council, pursuant to Laguna Hills Municipal Code Chapter 2-08; and,
- 3) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Appointing Kenneth H. Rosenfield, P.E., as Interim City Manager of the City of Laguna Hills, and Approving and Authorizing the Mayor to Execute an Interim City Manager Employment Agreement"; and,
- 4) Direct the City Clerk to administer the Oath of Office.

6.3. Deputy City Manager/Community Services Director**6.3.1 Establishment of a Video Messaging Program Entitled, "Mayor's Message" - Video Online Community Messaging Program.**

Recommendation: That the City Council: 1) Direct Staff to implement Option 2, as set forth in the Staff Report, for establishing a new "Mayor's Message" - Video Online Community Messaging Program; and 2) Adopt a proposed Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Adopting City Council Policy No. 135 Regarding the Establishment of Parameters and Procedures for the 'Mayor's Message' - Video Online Community Messaging Program."

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS**8. CITY COUNCIL MEMBER COMMENTS****ADJOURNMENT**

The next Regular Meeting of the City Council/Planning Agency will be February 23, 2021, 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 February 4, 2021, at 5:00 pm.



City Clerk

February 4, 2021

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 Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency and the Public Improvement Corporation.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Appointment of Laguna Hills High School Student Liaisons Kourosh Arfania and Darya Ardehali for the Spring 2021 Semester

RECOMMENDATION: That Mayor Pezold present Certificates of Appointment to Laguna Hills High School Student Liaisons Kourosh Arfania and Darya Ardehali.

SUMMARY:

By action of the City Council on July 27, 1993, the City of Laguna Hills and Laguna Hills High School established a Student Liaison Program to create a direct link between Laguna Hills High School and the City Council. Kourosh (Kory) Arfania and Darya Ardehali were selected by the Laguna Hills High School Parent, Teacher and Student Association (PTSA) to serve as the Spring 2021 Student Liaisons. The Assistant City Clerk met with Kourosh Arfania and Darya Ardehali prior to this meeting to administer the Oath of Office.

ATTACHMENTS:

- Certificates of Appointment



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

DARYA ARDEHALI

*on February 9, 2021, took the
Oath of Office
and on this date began serving as the*

STUDENT LIAISON

for the City of Laguna Hills

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

KOUROSH ARFANIA

*on February 9, 2021, took the
Oath of Office
and on this date began serving as the*

STUDENT LIAISON
for the City of Laguna Hills

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Recognition of Outgoing Parks and Recreation Commissioners David Robbins and Victoria Auer

RECOMMENDATION: That Mayor Pezold present Certificates of Recognition to David Robbins and Victoria Auer recognizing their service to the City.

SUMMARY:

David Robbins, Parks and Recreation Commissioner, and Victoria Auer, Parks and Recreation Commissioner, have completed their terms of office on the Parks and Recreation Commission as of January 31, 2021. Commissioner Robbins took his oath of office and began serving on the Parks and Recreation Commission on January 27, 2017. Commissioner Auer took her oath of office on February 20, 2013, and went on to serve two terms as a Parks and Recreation Commissioner. It is in order to recognize David Robbins and Victoria Auer for their service to the City of Laguna Hills on the Parks and Recreation Commission.

ATTACHMENTS:

- Certificates of Recognition



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

DAVID ROBBINS
City of Laguna Hills
Parks and Recreation Commissioner

January 27, 2017, through January 31, 2021

WHEREAS, the City of Laguna Hills Parks and Recreation Commission was established on April 14, 1992, to act as an advisory commission to the City Council on all matters pertaining to parks and public recreation by formulating policy recommendations on recreation services for approval by the City Council, conferring with the Director on problems of administration, development of recreation areas, facilities, programs, and improved recreation services, make recommendations regarding desirable contractual relations between the City and public schools and other agencies for use of buildings, play grounds and other recreational facilities; and

WHEREAS, David Robbins was appointed to serve on the Parks and Recreation Commission and took the Oath of Office on January 27, 2017; and

WHEREAS, David Robbins has served on the Parks and Recreation Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Erica Pezold, Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize David Robbins for his service to the City as Parks and Recreation Commissioner.

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

VICTORIA AUER
City of Laguna Hills
Parks and Recreation Commissioner

February 20, 2013, through January 31, 2021

WHEREAS, the City of Laguna Hills Parks and Recreation Commission was established on April 14, 1992, to act as an advisory commission to the City Council on all matters pertaining to parks and public recreation by formulating policy recommendations on recreation services for approval by the City Council, conferring with the Director on problems of administration, development of recreation areas, facilities, programs, and improved recreation services, make recommendations regarding desirable contractual relations between the City and public schools and other agencies for use of buildings, play grounds and other recreational facilities; and

WHEREAS, Victoria Auer was appointed to serve on the Parks and Recreation Commission and took the Oath of Office on February 20, 2013; and

WHEREAS, Victoria Auer has served on the Parks and Recreation Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Erica Pezold, Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Victoria Auer for her service to the City as Parks and Recreation Commissioner.

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Recognition of Outgoing Traffic Commissioners Larry Woodruff and Chris Mackey

RECOMMENDATION: That Mayor Pezold present Certificates of Recognition to Larry Woodruff and Chris Mackey recognizing their service to the City.

SUMMARY:

Larry Woodruff, Traffic Commissioner, and Chris Mackey, Traffic Commissioner, both completed their terms of office on the Traffic Commission as of January 31, 2021. Commissioner Woodruff took his oath of office and began serving on the Traffic Commission on May 15, 2015. Commissioner Mackey took her oath of office on January 22, 2019, and was appointed to serve a partial term on the Traffic Commission after already having served six years on the Parks and Recreation Commission. It is in order to recognize Larry Woodruff and Chris Mackey for their service to the City of Laguna Hills on the Traffic Commission.

ATTACHMENTS:

- Certificates of Recognition



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

LARRY WOODRUFF
City of Laguna Hills
Traffic Commissioner

May 15, 2015, through January 31, 2021

WHEREAS, the City of Laguna Hills Traffic Commission was established on February 25, 1992, to act as an advisory commission to the City Council on all traffic matters relating to receiving complaints relating to traffic matters, surveying, reviewing, and making recommendations relative to traffic conditions, the administration and enforcement of traffic regulations, improved parking plans, and safety programs, campaigns, and activities to educate the public in traffic safety; and

WHEREAS, Larry Woodruff was appointed to serve on the Traffic Commission on and took the Oath of Office on May 15, 2015; and

WHEREAS, Larry Woodruff has served on the Traffic Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Erica Pezold, Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Larry Woodruff for his service to the City as Traffic Commissioner.

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

CHRIS MACKEY
City of Laguna Hills
Traffic Commissioner

January 22, 2019, through January 31, 2021

WHEREAS, the City of Laguna Hills Traffic Commission was established on February 25, 1992, to act as an advisory commission to the City Council on all traffic matters relating to receiving complaints relating to traffic matters, surveying, reviewing, and making recommendations relative to traffic conditions, the administration and enforcement of traffic regulations, improved parking plans, and safety programs, campaigns, and activities to educate the public in traffic safety; and

WHEREAS, Chris Mackey was appointed to serve on the Traffic Commission on and took the Oath of Office on January 22, 2019; and

WHEREAS, Chris Mackey has served on the Traffic Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Erica Pezold, Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Chris Mackey for her service to the City as Traffic Commissioner.

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: Jennifer Lee
Assistant City Clerk

ISSUE: Oaths of Office and Certificates of Appointment for Two Parks and Recreation Commissioners and Three Traffic Commissioners

RECOMMENDATION: That Mayor Pezold administer the Oaths of Office and present Certificates of Appointment to Parks and Recreation Commissioners Don Caskey and Patricia Thee and Traffic Commissioners Manuel Hernandez, Mark Schaff, and Susan Caskey.

SUMMARY:

The City Council held interviews for two, four-year term openings on the Parks and Recreation Commission, and three four-year term openings on the Traffic Commission at a Special Meeting on January 26, 2021. The City Council interviewed 6 of the 7 applicants for the Parks and Recreation and Traffic Commissions and made the following appointments:

Parks and Recreation Commission

Don Caskey
Patricia Thee

Traffic Commission

Manuel Hernandez
Mark Schaff
Susan Caskey

The terms for these Commissioners will run through January 31, 2025.

Oaths of Office and Certificates of Appointment of Commissioners
February 9, 2021
Page 2

ATTACHMENTS:

- Certificates of Appointment



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

PATRICIA THEE

*on this date took the Oath of Office
and began serving as a*

**PARKS AND RECREATION
COMMISSIONER**

for the City of Laguna Hills

Dated this 3rd day of February 2021.

ERICA PEZOLD, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

DON CASKEY

*on this date took the Oath of Office
and began serving as a*

**PARKS AND RECREATION
COMMISSIONER**

for the City of Laguna Hills

Dated this 3rd day of February 2021.

ERICA PEZOLD, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

SUSAN CASKEY

*on this date took the Oath of Office
and began serving as a*

TRAFFIC COMMISSIONER

for the City of Laguna Hills

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

MANUEL HERNANDEZ

*on this date took the Oath of Office
and began serving as a*

TRAFFIC COMMISSIONER

for the City of Laguna Hills

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

MARK SCHAFF

*on this date took the Oath of Office
and began serving as a*

TRAFFIC COMMISSIONER

for the City of Laguna Hills

Dated this 9th day of February 2021.

ERICA PEZOLD, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Mayor and Council Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for January 26, 2021, Special Meeting

RECOMMENDATION: That the City Council approve the Minutes for the January 26, 2021, Special Meeting.

ATTACHMENTS:

- 210126 CC Special Minutes

**CITY OF LAGUNA HILLS
CITY COUNCIL**

**SPECIAL MEETING
MINUTES
Tuesday, January 26, 2021**

CALL TO ORDER

The meeting was called to order at 5:02 p.m. by Mayor Pezold.

PLEDGE OF ALLEGIANCE: Council Member Hunt

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Erica Pezold	Mayor	Present	
Don Sedgwick	Mayor Pro Tempore	Present	
Janine Heft	Council Member	Present	
Bill Hunt	Council Member	Present	
Dave Wheeler	Council Member	Present	

PUBLIC COMMENTS

There were no public comments.

INTERVIEWS OF APPLICANTS FOR PURPOSES OF APPOINTING TRAFFIC COMMISSIONERS AND PARKS AND RECREATION COMMISSIONERS

Commission Interviews and Appointments

Recommendation: That the City Council interview applicants for the Traffic Commission and Parks and Recreation Commission and appoint three Traffic Commissioners and two Parks and Recreation Commissioners.

The City Council conducted six interviews from a total of seven applicants for the Traffic Commission and the Parks and Recreation Commission. One applicant was unable to attend the interviews.

By motion, the City Council appointed Manuel Hernandez, Mark Schaff, and Susan Caskey to the Traffic Commission.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Mayor Pro Tempore
SECONDER:	Janine Heft, Council Member
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

By motion, the City Council appointed Don Caskey and Patricia Thee to the Parks and Recreation Commission.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Mayor Pro Tempore
SECONDER:	Bill Hunt, Council Member
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Pezold declared the meeting adjourned at 6:49 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Erica Pezold, Mayor

Approved at meeting of February 9, 2021



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Mayor and Council Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for January 26, 2021, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the January 26, 2021, Regular Meeting.

ATTACHMENTS:

- 210126 CC Minutes

**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY**

**REGULAR MEETING
MINUTES
Tuesday, January 26, 2021**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

The meeting was called to order at 7:04 p.m. by Mayor Pezold.

PLEDGE OF ALLEGIANCE: Council Member Hunt

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Erica Pezold	Mayor	Present	
Don Sedgwick	Mayor Pro Tempore	Present	
Janine Heft	Council Member	Present	
Bill Hunt	Council Member	Present	
Dave Wheeler	Council Member	Present	

1. PRESENTATIONS AND PROCLAMATIONS

There were no presentations or proclamations.

2. PUBLIC COMMENTS

The following individuals addressed the City Council on non-agendized items:

Marty Herrmann, the Chapter Lead of Young People in Recovery Chapter B, provided the Council with information regarding the Young People in Recovery (YPR) organization.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Mayor Pro Tempore
SECONDER:	Janine Heft, Council Member
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all ordinances and resolutions on the agenda and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for January 7, 2021, Special Meeting

Recommendation: That the City Council approve the Minutes for the January 7, 2021, Special Meeting.

3.3 Approval of Minutes for January 12, 2021, Regular Meeting

Recommendation: That the City Council approve the Minutes for the January 12, 2021, Regular Meeting.

3.4 Approval of Minutes for January 19, 2021, Special Meeting

Recommendation: That the City Council approve the Minutes for the January 19, 2021, Special Meeting.

3.5 Ratification of January 26, 2021, Warrant Register

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from January 1, 2021 to January 14, 2021, in the amount of \$959,734.28.

3.6 City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus

Recommendation: That the City Council review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Pezold recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:10 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Erica Pezold	Chair	Present	
Don Sedgwick	Vice Chair	Present	
Janine Heft	Agency Member	Present	
Bill Hunt	Agency Member	Present	
Dave Wheeler	Agency Member	Present	

4.2. PUBLIC COMMENTS

There were no Planning Agency public comments on non-agendized items.

4.3. APPROVAL OF MINUTES**4.3.1 Approval of Minutes for January 12, 2021, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the January 12, 2021, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Vice Chair
SECONDER:	Dave Wheeler, Agency Member
AYES:	Erica Pezold, Chair; Don Sedgwick, Vice Chair; Janine Heft, Agency Member; Bill Hunt, Agency Member; Dave Wheeler, Agency Member

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency administrative reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency public hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Pezold reconvened the City Council Meeting at 7:11 p.m. All Council Members were present in chamber.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council public hearings.

6. ADMINISTRATIVE REPORTS**6.1. City Manager**

The City Manager gave no administrative reports.

6.2. City Attorney**6.2.1 Appointment of Labor Negotiator**

City Attorney Simonian reviewed the information provided in the staff report.

Recommendation: That the City Council, pursuant to Government Code Section 54957.6, appoint the City Attorney to serve as the Council's designated representative for purposes of conducting labor negotiations with Acting City Manager Kenneth H. Rosenfield, an unrepresented employee, related to the preparation of a proposed Interim City Manager Employment Agreement.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Council Member
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS**7.1. Council Member Heft****7.1.1 Monitoring of Proposed New State Legislation SB9 and SB10**

Acting City Manager Rosenfield provided introductory comments on the item.

Council Member Heft reviewed the information provided in the staff report.

Recommendation: Council Member Heft recommends that the City Council direct staff to monitor the State legislative process involving the proposed new legislation SB9 and SB10 and report back to the City Council within 45 days if there is any significant actions on the bills.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Council Member
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

7.2. Council Member Wheeler

7.2.1 Recent Oil or Residue Deposits on to City Streets

Recommendation: Council Member Wheeler recommends that the City Council direct Staff to work with the City's Franchise Waste Hauler to mitigate recent oil or residue deposits on various City streets.

Acting City Manager Rosenfield provided introductory comments on the item.

Council Member Wheeler provided an update on the item.

Motion to receive and file the staff report.

RESULT:	RECEIVE AND FILE [UNANIMOUS]
MOVER:	Erica Pezold, Mayor
SECONDER:	Don Sedgwick, Mayor Pro Tempore
AYES:	Erica Pezold, Mayor; Don Sedgwick, Mayor Pro Tempore; Janine Heft, Council Member; Bill Hunt, Council Member; Dave Wheeler, Council Member

8. CITY COUNCIL MEMBER COMMENTS

Council Member Wheeler

Council Member Wheeler reported on a recent OC Public Libraries Advisory Board meeting he attended, including announcing their "100 Years of Service" Celebration and Kindergarten Readiness program.

Council Member Wheeler also reported on a recent OCTA Citizens Advisory Committee meeting he attended.

Mayor Pezold

Mayor Pezold thanked everyone for attending the meeting and emphasized the importance of being involved in the City.

9. CLOSED SESSION

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

The City Council will convene into Closed Session, in the City Council Chamber, City Hall, Laguna Hills Civic Center, to consider the following matter(s):

A. PUBLIC EMPLOYEE APPOINTMENT AND EMPLOYMENT

Pursuant to Government Code Section 54957(b)(1)

Titles: City Manager

Interim City Manager

B. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Negotiator: Gregory E. Simonian, City Attorney

Unrepresented Employee: Kenneth H. Rosenfield, Acting City
Manager/Public Services Director/City Engineer

Position to be Filled: Interim City Manager

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

There were no public comments on closed session items.

Mayor Pezold recessed the City Council meeting at 7:49 p.m.

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

The City Council convened into Closed Session at 8:00 p.m.

RECONVENE IN CITY COUNCIL CHAMBER

Mayor Pezold reconvened the City Council Meeting at 9:03 p.m.

CLOSED SESSION REPORT

City Attorney Simonian reported that the City Council convened into Closed Session pursuant to the authorities listed on the Agenda with no reportable action taken.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Pezold declared the meeting adjourned at 9:04 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Erica Pezold, Mayor

Approved at meeting of February 9, 2021



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Director
ISSUE: Ratification of February 9, 2021, Warrant Register

RECOMMENDATION: That the City Council ratify the accompanying Warrant Register for the period from January 15, 2021 to January 28, 2021, in the amount of \$146,746.58.

SUMMARY:

The City issues accounts payable disbursements on a regular basis and presents it to City Council for ratification at its next regularly scheduled City Council Meeting. The attached Warrant Register containing checks and electronic funds transfers for the period from January 15, 2021, to January 28, 2021, is being presented for ratification by the City Council. Payments have been reviewed and approved by the appropriate departmental staff. The Director of Finance certifies to the accuracy of the attached register and to the availability of monies for payment thereof.

ATTACHMENTS:

- Warrant Register - February 9, 2021
- Warrant Register, Payables Detail Report - February 9, 2021



City of Laguna Hills, CA

Warrant Register - February 9, 2021

By Check Number

Date Range: 01/15/2021 - 01/28/2021

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Regular				
8818859	Z-CS-0351	CODILLA, TIFFANY	01/15/2021	500.00
8818860	A-0138	ALL CITY MANAGEMENT, INC.	01/21/2021	3,818.64
8818861	C-1102	CALIFORNIA BUILDING STANDARDS COMMISSION	01/21/2021	606.60
8818862	Z-CD-0257	COVER RIGHT ROOFING INC	01/21/2021	1,530.00
8818863	D-0453	DEPARTMENT OF CONSERVATION	01/21/2021	2,023.34
8818864	D-0423	DIVISION OF THE STATE ARCHITECT STATE OF CALIFORNIA	01/21/2021	172.40
8818865	H-0960	HR GREEN PACIFIC, INC.	01/21/2021	55,842.74
8818866	Z-PS-0027	JOHNSON, MARISA	01/21/2021	42.00
8818867	K-1193	KOSMONT COMPANIES	01/21/2021	9,555.00
8818868	C-1003	PARKING VIOLATIONS OC TREASURER-TAX COLLECTOR	01/21/2021	891.50
8818869	Z-CD-0081	REPIPE 1	01/21/2021	151.74
8818870	R-1946	RK ENGINEERING GROUP, INC.	01/21/2021	1,315.00
8818871	S-2296	SHUTE, MIHALY WEINBERGER LLP	01/21/2021	137.60
8818872	T-2042	TRAUMA INTERVENTION PROGRAMS	01/21/2021	1,820.64
8818873	A-0365	AT&T - CALNET 3	01/28/2021	255.14
8818874	B-0304	BEE MAN, THE	01/28/2021	155.00
8818875	C-1133	CALIFORNIA YELLOW CAB	01/28/2021	204.00
8818876	C-0023	COX COMMUNICATION	01/28/2021	617.83
8818877	F-0604	FEDERAL EXPRESS CORPORATION	01/28/2021	21.04
8818878	H-0829	HARTZOG & CRABILL, INC.	01/28/2021	3,207.50
8818879	I-0983	INTERWEST CONSULTING GROUP, INC.	01/28/2021	3,750.00
8818880	I-0960	IRV SEAVER MOTORCYCLES	01/28/2021	664.60
8818881	L-1383	LABOR LAW POSTER SERVICE LLC	01/28/2021	99.50
8818882	M-1302	MOULTON NIGUEL WATER DISTRICT	01/28/2021	3,474.34
8818883	O-1546	OFFICE SOLUTIONS	01/28/2021	319.19
8818884	P-1824	PACKET FUSION, INC.	01/28/2021	2,062.50
8818885	P-1834	PLACEWORKS, INC.	01/28/2021	5,833.13
8818886	R-1976	REAL ESTATE CONSULTING & SERVICES, INC.	01/28/2021	160.00
8818887	R-1946	RK ENGINEERING GROUP, INC.	01/28/2021	2,025.00
8818888	R-1813	RPW SERVICES, INC.	01/28/2021	479.70
8818889	S-1902	SAN DIEGO GAS & ELECTRIC	01/28/2021	24,543.87
8818890	S-1904	SOUTHERN CALIFORNIA EDISON	01/28/2021	13,347.29
8818891	S-2250	SPARKLETTS	01/28/2021	38.74
8818892	S-2209	STUDIO TWO BLACK DIAMOND	01/28/2021	48.49
8818893	T-2042	TRAUMA INTERVENTION PROGRAMS	01/28/2021	910.32
8818894	W-2337	WEST COAST ARBORISTS, INC.	01/28/2021	6,122.20
Total Regular:				146,746.58

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	50	36	0.00	146,746.58
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	50	36	0.00	146,746.58

Attachment: Warrant Register - February 9, 2021 (2325 : Warrant Register, February 9, 2021)

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	50	36	0.00	146,746.58
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	50	36	0.00	146,746.58

Fund Summary

Fund	Name	Period	Amount
998	POOL	1/2021	146,746.58
			146,746.58



City of Laguna Hills, CA

Warrant Register - Payables Detail Report

By Fund

Payment Dates 01/15/2021 - 01/28/2021

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
Fund: 100 - GENERAL FUND					
01/15/2021	CODILLA, TIFFANY	FRDCOV-0054	Refund, Facility Deposit, R #1033994.002	100-000-222000	500.00
01/21/2021	DEPARTMENT OF CONSERVATION	123120	Remittance, SMIP Fee, Oct - Dec '20	100-000-221001	180.80
01/21/2021	DEPARTMENT OF CONSERVATION	123120	Remittance, SMIP Fee, Oct - Dec '20	100-000-221002	1,842.54
01/21/2021	CALIFORNIA BUILDING STANDARDS COMMISSION	123120 Q4	Building Standard Fund, Oct-Dec '20	100-000-221011	674.00
01/21/2021	DIVISION OF THE STATE ARCHITECT	123120 Q4	Disability Access Fees, Oct-Dec '20	100-000-221012	1,724.00
01/21/2021	STATE OF CALIFORNIA CALIFORNIA BUILDING STANDARDS COMMISSION	123120 Q4	Building Standard Fund, Oct-Dec '20	100-000-442000	(67.40)
01/21/2021	HR GREEN PACIFIC, INC.	138577	Building Services, Community Development, Sep '20	100-225-700000	17,860.00
01/21/2021	HR GREEN PACIFIC, INC.	138578	Plan Check, Community Development, Sep '20	100-225-700000	11,319.95
01/21/2021	HR GREEN PACIFIC, INC.	139170	Building Services, Community Development, Oct '20	100-225-700000	18,240.00
01/21/2021	HR GREEN PACIFIC, INC.	139171	Plan Check, Community Development, Oct '20	100-225-700000	8,422.79
01/21/2021	TRAUMA INTERVENTION PROGRAMS	1900	Community Program, TIP, 7/1/20 - 9/30/20	100-420-720821	910.32
01/21/2021	KOSMONT COMPANIES	1907.3-002	Professional Services, Dec '20	100-155-700000	3,728.40
01/21/2021	TRAUMA INTERVENTION PROGRAMS	1996	Community Program, TIP, 10/1/20 - 12/31/20	100-420-720821	910.32
01/21/2021	RK ENGINEERING GROUP, INC.	201008	Parking Study, Oct '20	100-225-700200	280.00
01/21/2021	SHUTE, MIHALY WEINBERGER LLP	271292	Professional Services, Legal, Nov '20	100-155-700011	137.60
01/21/2021	ALL CITY MANAGEMENT, INC.	68906	Crossing Guard Services, 12/27/20 - 1/9/21	100-420-720822	2,182.08
01/21/2021	COVER RIGHT ROOFING INC	CD-0649-BLDR-0598-202	Refund, C&D Deposit, R #7933	100-000-227001	750.00
01/21/2021	COVER RIGHT ROOFING INC	CD-0650-BLDR-0601-202	Refund, C&D Deposit, R #7940	100-000-227001	390.00
01/21/2021	COVER RIGHT ROOFING INC	CD-0651-BLDR-0602-202	Refund, C&D Deposit, R #7941	100-000-227001	390.00
01/21/2021	REPIPE 1	CD-0652-PLMR-0310-202	Refund, Permit Fees, R #6723	100-000-221011	1.00
01/21/2021	REPIPE 1	CD-0652-PLMR-0310-202	Refund, Permit Fees, R #6723	100-000-221012	4.00
01/21/2021	REPIPE 1	CD-0652-PLMR-0310-202	Refund, Permit Fees, R #6723	100-000-442000	146.74
01/21/2021	PARKING VIOLATIONS OC TREASURER-TAX COLLECTOR	DEC 20	Parking Fee Surcharge, Dec '20	100-420-720823	891.50
01/21/2021	JOHNSON, MARISA	PSV-0027	Refund, Citation #LH109494	100-000-460100	42.00
01/28/2021	AT&T - CALNET 3	000015856765	Alarm, Com Ctr & City Hall Lines, Jan '21	100-195-630000	166.04
01/28/2021	AT&T - CALNET 3	000015856765	Alarm, Com Ctr & City Hall Lines, Jan '21	100-310-630100	89.10
01/28/2021	COX COMMUNICATION	011721	T-1 Line, Jan '21	100-195-630000	406.02
01/28/2021	COX COMMUNICATION	011821	Cable, City Hall, Jan '21	100-195-630000	32.19
01/28/2021	COX COMMUNICATION	012021	WiFi, City Hall, Jan '21	100-195-630000	179.62
01/28/2021	SAN DIEGO GAS & ELECTRIC	012721	Street Lights, Traffic Control, Com Ctr, Jan '21	100-310-631100	4,075.38
01/28/2021	MOULTON NIGUEL WATER DISTRICT	012721	Water Usage, Public Services & Com Ctr, Dec '20	100-310-635100	524.57
01/28/2021	SAN DIEGO GAS & ELECTRIC	012721	Street Lights, Traffic Control, Com Ctr, Jan '21	100-355-631000	4,886.21
01/28/2021	SOUTHERN CALIFORNIA EDISON	012721	Street Lights, Traffic Control, Dec '20	100-355-631000	763.81
01/28/2021	SAN DIEGO GAS & ELECTRIC	012721	Street Lights, Traffic Control, Com Ctr, Jan '21	100-355-631400	12,218.30
01/28/2021	SOUTHERN CALIFORNIA EDISON	012721	Street Lights, Traffic Control, Dec '20	100-355-631400	12,583.48
01/28/2021	SAN DIEGO GAS & ELECTRIC	012721	Street Lights, Traffic Control, Com Ctr, Jan '21	100-355-631900	3,363.98

Attachment: Warrant Register, Payables Detail Report - February 9, 2021 (2325 : Warrant Register, February 9, 2021)

Warrant Register - Payables Detail Report

Payment Dates: 01/15/2021 - 01/28/2021

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
01/28/2021	MOULTON NIGUEL WATER DISTRICT	012721	Water Usage, Public Services & Com Ctr, Dec '20	100-355-635000	2,949.77
01/28/2021	BEE MAN, THE	112879	Bee Removal, Public Services, Jan '21	100-355-720701	155.00
01/28/2021	SPARKLETTTS	12194330 010621	Operating Supplies, Comm Ctr, Jan	100-310-622005	38.74
01/28/2021	REAL ESTATE CONSULTING & SERVICES, INC.	13900	Parks Contract Repair, Jan '21	100-355-720701	160.00
01/28/2021	WEST COAST ARBORISTS, INC.	1-6542	Tree Trimming Services, Jan '21	100-355-720702	900.00
01/28/2021	WEST COAST ARBORISTS, INC.	168231	Tree Trimming Services, Dec '20	100-355-720702	5,222.20
01/28/2021	HARTZOG & CRABILL, INC.	20-0739	Traffic Signal Mgmt Services, Dec '20	100-355-700101	3,207.50
01/28/2021	RK ENGINEERING GROUP, INC.	201107	Traffic Study, Taco Bell Project, Nov	100-000-223000	225.00
01/28/2021	RK ENGINEERING GROUP, INC.	201107	Traffic Study, Taco Bell Project, Nov	100-000-452000	(225.00)
01/28/2021	RK ENGINEERING GROUP, INC.	201107	Traffic Study, Taco Bell Project, Nov	100-225-700201	225.00
01/28/2021	RK ENGINEERING GROUP, INC.	201109	Parking Review, Nov '20	100-225-700200	1,800.00
01/28/2021	IRV SEAVER MOTORCYCLES	20210107	Motorcycle Maintenance, Police Svcs, Jan '21	100-420-646100	664.60
01/28/2021	TRAUMA INTERVENTION PROGRAMS	2097	Community Program, TIP, 1/1/21 - 3/31/21	100-420-720821	910.32
01/28/2021	RPW SERVICES, INC.	22982	Rodent Control, Public Services, Dec '20	100-355-720700	479.70
01/28/2021	INTERWEST CONSULTING GROUP,	65983	Inspection Services, Dec '20	100-355-700255	3,750.00
01/28/2021	FEDERAL EXPRESS CORPORATION	7-239-59417	Delivery Services, Jan '21	100-195-625000	21.04
01/28/2021	STUDIO TWO BLACK DIAMOND	97012	Operating Supplies, Jan '21	100-420-622000	48.49
01/28/2021	LABOR LAW POSTER SERVICE LLC	A13267273162	Office Supplies, Community Center, 2021	100-310-620500	99.50
01/28/2021	OFFICE SOLUTIONS	I-01824490	Office Supplies, Dec '20	100-195-620000	71.65
01/28/2021	OFFICE SOLUTIONS	I-01834243	Office Supplies, Jan '21	100-195-620000	204.02
01/28/2021	OFFICE SOLUTIONS	I-01834464	Office Supplies, Jan '21	100-195-620000	43.52
01/28/2021	PACKET FUSION, INC.	PB13908	Remote Access & Server Support, Jan '21	100-195-720050	2,062.50
Fund 100 - GENERAL FUND Total:					133,762.89
Fund: 101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT					
01/21/2021	KOSMONT COMPANIES	1911.5-014	Prof Services, Village at Laguna Hills, Dec '20	101-000-223000	5,826.60
01/21/2021	KOSMONT COMPANIES	1911.5-014	Prof Services, Village at Laguna Hills, Dec '20	101-000-450000	(5,826.60)
01/21/2021	KOSMONT COMPANIES	1911.5-014	Prof Services, Village at Laguna Hills, Dec '20	101-225-700000	5,826.60
01/21/2021	RK ENGINEERING GROUP, INC.	201009	Traffic Study, Village at Laguna Hills, Oct '20	101-000-223000	1,035.00
01/21/2021	RK ENGINEERING GROUP, INC.	201009	Traffic Study, Village at Laguna Hills, Oct '20	101-000-450000	(1,035.00)
01/21/2021	RK ENGINEERING GROUP, INC.	201009	Traffic Study, Village at Laguna Hills, Oct '20	101-225-700101	1,035.00
01/28/2021	PLACEWORKS, INC.	74097	Prof Services, Village at LH Expenses, Dec '20	101-000-223000	5,833.13
01/28/2021	PLACEWORKS, INC.	74097	Prof Services, Village at LH Expenses, Dec '20	101-000-450000	(5,833.13)
01/28/2021	PLACEWORKS, INC.	74097	Prof Services, Village at LH Expenses, Dec '20	101-225-700200	5,833.13
Fund 101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT Total:					12,694.73
Fund: 221 - SENIOR MOBILITY PROGRAM					
01/28/2021	CALIFORNIA YELLOW CAB	12406020	Senior Mobility Program, Dec '20	221-310-720000	204.00
Fund 221 - SENIOR MOBILITY PROGRAM Total:					204.00
Fund: 312 - CASp					
01/21/2021	DIVISION OF THE STATE ARCHITECT STATE OF CALIFORNIA	123120 Q4	Disability Access Fees, Oct-Dec '20	312-000-442000	(1,551.60)
Fund 312 - CASp Total:					(1,551.60)

Attachment: Warrant Register, Payables Detail Report - February 9, 2021 (2325 : Warrant Register, February 9, 2021)

Warrant Register - Payables Detail Report

Payment Dates: 01/15/2021 - 01/28/2021

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
Fund: 430 - CARES Act Assistance - State					
01/21/2021	ALL CITY MANAGEMENT, INC.	68906	Crossing Guard Services, 12/27/20 - 1/9/21	430-420-720822	1,636.56
Fund 430 - CARES Act Assistance - State Total:					1,636.56
Grand Total:					146,746.58

Attachment: Warrant Register, Payables Detail Report - February 9, 2021 (2325 : Warrant Register, February 9, 2021)

Report Summary

Fund Summary

Fund	Expense Amount	Payment Amount
100 - GENERAL FUND	133,762.89	133,762.89
101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT	12,694.73	12,694.73
221 - SENIOR MOBILITY PROGRAM	204.00	204.00
312 - CASp	(1,551.60)	(1,551.60)
430 - CARES Act Assistance - State	1,636.56	1,636.56
Grand Total:	146,746.58	146,746.58

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-000-221001	SMIP - Residential	180.80	180.80
100-000-221002	SMIP - Commercial	1,842.54	1,842.54
100-000-221011	Building Standards Fee	675.00	675.00
100-000-221012	SB1186 ADA CASp Fees	1,728.00	1,728.00
100-000-222000	Refundable Deposits	500.00	500.00
100-000-223000	Plan Application Deposit	225.00	225.00
100-000-227001	SecurityDeposit-WasteRecycling	1,530.00	1,530.00
100-000-442000	Building Related Permits	79.34	79.34
100-000-452000	Plan Check Fee - Fee Base	(225.00)	(225.00)
100-000-460100	Parking Revenues	42.00	42.00
100-155-700000	Professional Services	3,728.40	3,728.40
100-155-700011	Legal Services-Litigation	137.60	137.60
100-195-620000	Office Supplies	319.19	319.19
100-195-625000	Postage & Delivery	21.04	21.04
100-195-630000	Telephone & Communication	783.87	783.87
100-195-720050	Contract Serv-Software Support	2,062.50	2,062.50
100-225-700000	Prof. Svcs - Building & Safety	55,842.74	55,842.74
100-225-700200	General Planning Services	2,080.00	2,080.00
100-225-700201	Plan Application	225.00	225.00
100-310-620500	Office Supplies - Comm Ctr	99.50	99.50
100-310-622005	Operating Supplies Comm Ctr	38.74	38.74
100-310-630100	Phone & Communication Comm	89.10	89.10
100-310-631100	Utilities - Electric Comm Ctr	4,075.38	4,075.38
100-310-635100	Utilities - Water Comm Ctr	524.57	524.57
100-355-631000	Utilities - Electric	5,650.02	5,650.02
100-355-631400	Electric-Street Lights/Signals	24,801.78	24,801.78
100-355-631900	UtilitiesElectricOnBillFinancing	3,363.98	3,363.98
100-355-635000	Utilities - Water	2,949.77	2,949.77
100-355-700101	Traffic Engineer Services	3,207.50	3,207.50
100-355-700255	Improvement Inspection	3,750.00	3,750.00
100-355-720700	Landscape Maintenance Contract	479.70	479.70
100-355-720701	Parks Contract Repair	315.00	315.00
100-355-720702	Tree Maintenance	6,122.20	6,122.20
100-420-622000	Operating Supplies	48.49	48.49
100-420-646100	Maint & Repairs - Vehicles	664.60	664.60
100-420-720821	Trauma Intervention Program	2,730.96	2,730.96
100-420-720822	Crossing Guard Services	2,182.08	2,182.08
100-420-720823	Parking Citation Processing	891.50	891.50
101-000-223000	Plan Application Deposit	12,694.73	12,694.73
101-000-450000	Planning Fees	(12,694.73)	(12,694.73)
101-225-700000	Consultant Services	5,826.60	5,826.60
101-225-700101	Consultant Services, Traffic	1,035.00	1,035.00
101-225-700200	Consultant Services, Planning	5,833.13	5,833.13
221-310-720000	Contract Services	204.00	204.00
312-000-442000	Building Related Permits	(1,551.60)	(1,551.60)
430-420-720822	Contract Services - Crossing	1,636.56	1,636.56
Grand Total:		146,746.58	146,746.58

Attachment: Warrant Register, Payables Detail Report - February 9, 2021 (2325 : Warrant Register, February 9, 2021)

Project Account Summary

Project Account Key

None

Expense Amount

Payment Amount

146,746.58

146,746.58

Grand Total:

146,746.58

146,746.58



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Acting Director of Emergency Services/ Acting City Manager

ISSUE: City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus

RECOMMENDATION: That the City Council review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus

SUMMARY:

On March 18, 2020, the City Manager, acting in his capacity as Director of Emergency Services, proclaimed the existence of a local emergency relating to COVID-19 (the "coronavirus"), at which time the City Council was not in session. On March 24, 2020, during a special meeting the City Council ratified and confirmed the City Manager's proclamation declaring the existence of a local emergency. Since that time, the rate of infection and threat to public health and safety have not abated, as the number of cases continue to grow. As of January 22, 2021, there were more than 96.2 million worldwide cases of COVID-19, and 2.06 million deaths. Locally, there were 231,000 confirmed cases and 2,546 deaths in Orange County. Since then, the worldwide cases have increased to more than 105 million, and the worldwide deaths have increased to more than 2.28 million. County-wide, the number of confirmed cases has increase from 231,000 to 249,000 and deaths have increased from 2,546 to 3,199. Pursuant to Laguna Hills Municipal Code ("LHMC") Section 2-32.060, the City Council must review the necessity for continuing the local emergency no less frequently than at every subsequent regular meeting of the City Council until the emergency is terminated. LHMC Section 2-32.150 further requires any rules and regulations, such as Executive Orders, issued by the

Director of Emergency Services/City Manager that are reasonably related to the local emergency, such as for the protection of life and property as affected by the emergency, to be confirmed as soon as practicable by the City Council.

BACKGROUND:

On January 30, 2020, the World Health Organization ("WHO") declared the outbreak of COVID-19 a "public health emergency of international concern" and by March 11, 2020, the WHO elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020, the County of Orange and County Health Officer Dr. Nichole Quick declared a local emergency and a local health emergency to prepare for COVID-19, and on March 4, 2020, the Governor declared a State of Emergency in California allowing state agencies to take any action necessary to address COVID-19.

On March 11, 2020, the Governor and the California Department of Health issued a statement entitled "California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19" determining that gatherings should be postponed or canceled across the state until at least the end of March. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of six (6) feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than ten (10) people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function.

Within a short period of time thereafter COVID-19 began to spread rapidly throughout California necessitating more stringent public health emergency orders. On March 12, 2020, the Governor issued Executive Order N-25-20, ordering that all residents are to heed the orders and guidance of state and local public health officials. Subsequently, on March 13, 2020, President Donald J. Trump declared a National Emergency to provide disaster funding, speed up the United States response to the crisis created by COVID-19, and to offer maximum flexibility to attack the problem. By March 16, 2020, President Trump advised the public to avoid groups of more than ten

Continuation of Local Emergency

February 9, 2021

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(10) people to fight the COVID-19 outbreak. On March 17, 2020, the Orange County Health Officer issued a Public Health Order prohibiting all public and private gatherings of any number of people, including at places of work, occurring outside a single household or living unit, until March 31, 2020, except for the purposes of engaging in an Essential Activity, as defined. This Public Health Order was superseded by the State's Executive Order and continues in effect until further notice.

In light of these events, on March 18, 2020, the City Manager, acting as the Director of Emergency Services pursuant to LHMC Section 2-32.060(B), proclaimed the existence of a local emergency within the City of Laguna Hills by enacting Proclamation No. 2020-03-18-1, at which time the City Council was not in session. A copy of Proclamation No. 2020-03-18-1 is attached hereto. On March 24, 2020, the City Council unanimously ratified and confirmed the City Manager's proclamation declaring the existence of a local emergency during a special meeting, as required by LHMC Section 2-32.060(B).

In order to mitigate the impact of COVID-19 across the State, on March 19, 2020, the Governor issued Executive Order N-33-20, which directed and ordered all residents to: 1) immediately heed the current State public health directives; and 2) to stay at home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors. On March 22, 2020, President Donald J. Trump declared California a major disaster area, thereby making federal emergency aid available for the State to supplement state, tribal, and local recovery efforts in the areas affected by the COVID-19 pandemic beginning on January 1, 2020, and continuing.

Effective August 31, 2020, Governor Newsom implemented a "Blueprint for a Safer Economy," within the COVID-19 portion of the state's website at: <https://covid19.ca.gov/safer-economy/>, which allows the public to enter a County and a desired activity to verify if it is open. The system also labels each county's risk level using a four color-coded tier system for COVID-19 monitoring that will replace any former county-based monitoring systems. As you can see in the graphic below, the system is based on the amount of positive cases and positivity rates as either widespread, substantial, moderate or minimal.

Your County Color Determines Operations		
COUNTY RISK LEVEL	NEW CASES	POSITIVE TESTS
WIDESPREAD Most non-essential indoor business operations are closed.	More than 7 Daily new cases (per 100k)	More than 8% Positive tests
SUBSTANTIAL Some non-essential indoor business operations are closed.	4-7 Daily new cases (per 100k)	5-8% Positive tests
MODERATE Some business operations are open with modifications.	1-3.9 Daily new cases (per 100k)	2-4.9% Positive tests
MINIMAL Most business operations are open with modifications.	Less than 1 Daily new cases (per 100k)	Less than 2% Positive tests

As to the continuing need for the proclamation of emergency and the rules, measures, and orders issued to date by the City Council, the following facts are instructive. The County of Orange continues to be labeled with a risk factor of Widespread.

On December 3, 2020, Governor Newsom announced a new Regional Stay Home Order that will prohibit gatherings of any size, close operations except for critical infrastructure and retail, and require 100% masking and physical distancing. Orange County is part of the Southern California Region that includes the counties of Imperial, Inyo, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura. This Regional Stay Home Order will go into effect within 24 hours in regions with less than 15% ICU availability. The order will remain in effect for at least 3 weeks and, after that period, will be lifted when a region's projected ICU capacity meets or exceeds 15% based on a weekly assessment. On December 6, 2020, the Southern California Region was placed on a Regional Stay at Home Order that recently ended on January 25, 2021. County restrictions return to their assigned risk level tier.

As of January 22, 2021, there were more than 96.2 million worldwide cases of COVID-19, and 2.06 million deaths. Locally, there were 231,000 confirmed cases and 2,546 deaths in Orange County. Between January 22, 2021, and the date of publication of this staff report (February 4, 2021), the worldwide cases have increased to more than 105 million and the worldwide deaths have increased to more than 2.28 million. County-

Continuation of Local Emergency

February 9, 2021

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wide cases have increase from 231,000 to 249,000 and county-wide deaths have increased from 2,546 to 3,199. These figures continue to grow on a daily basis. The rate of infection, potential impact to health care systems, and the threat to public health and safety have not abated. The state of local emergency continues to exist.

It is recommended that the City Council review the necessity for continuing the local emergency related to the COVID-19 pandemic. Based on the recommendations of the Acting Director of Emergency Services/Acting City Manager and the Chief of Police Services, it has been determined that the need for the locally declared emergency, pursuant to Proclamation No. 2020-03-18-1, continues to exist and should not be terminated at this time.

ATTACHMENTS:

- Proclamation No. 2020-03-18-1, Declaration of Existence of a Local Emergency

PROCLAMATION NO. 2020-03-18-1

A PROCLAMATION OF THE DIRECTOR OF EMERGENCY
SERVICES OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, DECLARING THE EXISTENCE OF A LOCAL
EMERGENCY

WHEREAS, Laguna Hills Municipal Code Section 2-32.060 empowers the City Council (while in session), or the Director of Emergency Services (if the City Council is not in session), to declare the existence or threatened existence of a local emergency; and

WHEREAS, California Government Code Section 8550 *et seq.*, including Section 8558(c), authorizes the Director of Emergency Services to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, a novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019. Symptoms of COVID-19 include fever, cough, and shortness of breath; outcomes have ranged from mild to severe illness and in some cases death. The Center for Disease Control and Prevention (CDC) has indicated the virus is a significant public health threat; and

WHEREAS, Chinese health officials have reported tens of thousands of cases of COVID-19 in China, with the virus reportedly spreading from person-to-person. COVID-19 illnesses, most of them associated with travel from Wuhan, are also being reported in numerous countries, with thousands of cases, including the United States; and

WHEREAS, on January 30, 2020, the World Health Organization (WHO) declared the outbreak a "public health emergency of international concern" and on March 11, 2020, the WHO elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020, the County of Orange declared a local emergency and a local health emergency. On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency in California; and

WHEREAS, on February 2, 2020, the federal government initiated the suspension of entry of foreign nationals who were in China during the 14-day period preceding their entry or attempted entry into the United States; and

WHEREAS, as of March 10, 2020, the WHO reported that, to date, 125,048 confirmed cases of COVID-19, 4,613 of which resulted in death, across 117 countries; and

WHEREAS, the Governor and the California Department of Health on March 11, 2020, issued a statement entitled "California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19," determining that gatherings should be postponed or canceled across the state until at least the end of March. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of 6 feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than 10 people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function; and

WHEREAS, the Governor on March 12, 2020, issued Executive Order N-25-20, ordering, inter alia, that all residents are to heed the orders and guidance of state and local public health officials; and

WHEREAS, President Donald J. Trump on March 13, 2020, declared a national emergency to provide disaster funding, speed up the United States response to the crisis created by COVID-19, and to offer maximum flexibility to attack the problem; and

WHEREAS, on March 15, 2020, Governor Newsome requested bars and nightclubs to close, restaurants to reduce capacity by half, and all Californians aged 65 and older to self-isolate; and

WHEREAS, on March 16, 2020, President Donald J. Trump advised the public to avoid groups of more than 10 people to fight the coronavirus outbreak; and

WHEREAS, the City of Laguna Hills has the authority to impose measures to promote social distancing including, but not limited to, limitations on public events; and

WHEREAS, the City of Laguna Hills is a significantly populated city within Orange County, which is the sixth largest county in the United States; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen due to the potential introduction of COVID-19 to the City of Laguna Hills and Orange County; and

WHEREAS, such conditions are beyond the control of the services, personnel, equipment, and facilities of the City of Laguna Hills and require the combined forces of other political subdivisions to combat; and

WHEREAS, it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS, if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the community, and limits the spread of infection in the community and within the healthcare delivery system; and

WHEREAS, the mobilization of local resources, ability to coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and allow for future reimbursement by the state and federal governments will be critical to successfully responding to COVID-19; and

WHEREAS, the Director of Emergency Services has the authority to declare a local emergency as authorized by California Government Code Section 8630 and Laguna Hills Municipal Code Section 2-32.060.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED BY DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF LAGUNA HILLS AS FOLLOWS:

Section 1. As contemplated in the Emergency Services Act contained in California Government Code Section 8550 *et seq.*, including Section 8558(c), and Chapter 2-32 of Title 2 of the Laguna Hills Municipal Code, a local emergency exists based on the existence of conditions of disaster or of extreme peril to the safety of persons and property caused by an epidemic, as detailed in the recitals set forth above.

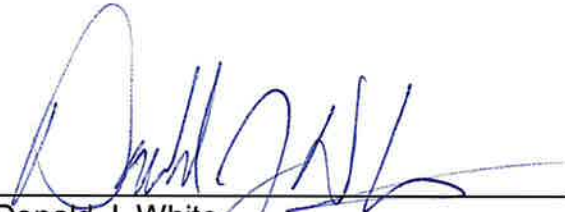
Section 2. The area of the City of Laguna Hills which is endangered/imperiled is the entire city.

Section 3. During the existence of this local emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law and by ordinances, resolutions, and orders of this City, including but not limited to the City's Emergency Operations Plan.

Section 4. The City Council shall review and ratify this proclamation of the City Manager within **seven (7) days** as required by state law, and if ratified, shall continue to exist until the City Council proclaims the termination of this local emergency. The City Council shall review the need for continuing the local emergency as required by state and local law until it terminates the local emergency, and shall terminate the local emergency at the earliest possible date that conditions warrant.

Section 5. A copy of this proclamation shall be forwarded to the Director of California Governor's Office of Emergency Services requesting that the Director find it acceptable in accordance with state law; that the Governor of California, pursuant to the Emergency Services Act, issue a proclamation declaring an emergency in the City of Laguna Hills; that the Governor waive regulations that may hinder response and recovery efforts; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate federal disaster relief programs.

PROCLAIMED this 18th day of March 2020.


Donald J. White,
Director of Emergency Services/
City Manager

ATTEST:


Melissa Au-Yeung, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Proclamation No. 2020-03-18-1 adopted by the Director of Emergency Services of the City of Laguna Hills, California, on the 18th day of March 2020.

(SEAL)


MELISSA AU-YEUNG, CITY CLERK



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Civic Center Second Quarter Financial Report for Fiscal Year 2020/2021

RECOMMENDATION: That the City Council receive and file the report.

SUMMARY:

This Civic Center Second Quarter Financial Report for Fiscal Year 2020/2021 is intended to provide the City Council with an overview of the Civic Center leasing operation finances as of December 31, 2020.

The abridged Balance Sheet and Income Statement summary for the Laguna Hills Civic Center leasing operation is in Tables 1 & 2. As of December 31, 2020, the balance sheet shows equity of \$6,560,621.

Table 1: Abridged Balance Sheet
As of December 31, 2020

ASSETS	
Total Current Assets	\$ 249,265
Total Fixed Assets	\$ 6,311,356
TOTAL ASSETS	\$ 6,560,621
 LIABILITY & EQUITY	
Total Current Liabilities	\$ 66,263
Total Equity	\$ 6,494,358
TOTAL LIABILITIES & EQUITY	\$ 6,560,621

**Table 2: Income Statement Summary
 For the Period Ended December 31, 2020**

	Actuals	Budgeted	Variance
Total Income	\$ 302,506	\$ 333,365	\$ (30,859)
Total Expenses	\$ 295,105	\$ 319,633	\$ (24,528)
NET INCOME/(LOSS)	\$ 7,401	\$ 13,732	

As shown in Table 2, Essex Realty, the management company for the property, reported a net income of \$7,401 for the six months of leasing activity from July 1, 2020, to December 31, 2020. Total Income Actuals came in at approximately \$31,000 under the budgeted amount, largely due to deferred or reduced rent granted to tenants especially impacted by the COVID-19 crises. After adding back contra rent revenue associated with the City's occupied spaces, the effective net income for the quarter is \$299,708.

A detailed Balance Sheet, Income Statement, and Check Register for the three months of the quarter have been provided as attachments to this report.

ATTACHMENTS:

- Balance Sheet for the Period Ending December 31, 2020
- Income Statement for the Period Ending December 31, 2020
- Check Register for October, November, and December 2020

Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Accrual

Report includes an open period. Entries are not final.

Dec 2020

ASSETS

CURRENT ASSETS

Cash - Operating	137,634.17
Cash - MMA	37,617.36

TOTAL CASH AND CASH EQUIVALENTS	175,251.53
--	-------------------

Accounts Receivable	16,006.77
Prepaid Insurance	58,006.29

NET ACCOUNTS RECEIVABLE	74,013.06
--------------------------------	------------------

TOTAL CURRENT ASSETS	249,264.59
-----------------------------	-------------------

FIXED ASSETS

Land	2,855,425.10
Building	3,344,613.52
Capital Improvements	10,032,769.34
Tenant Improvements	1,404,608.30
Lease Commissions	350,983.34
Accumulated Depreciation	(11,677,043.33)

TOTAL FIXED ASSETS	6,311,356.27
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TOTAL ASSETS	6,560,620.86
---------------------	---------------------

LIABILITIES & EQUITY

CURRENT LIABILITY

Prepaid Rent & CAM	1,369.62
Accrued Expenses	20,733.00
Security Deposits	44,160.25

TOTAL CURRENT LIABILITY	66,262.87
--------------------------------	------------------

LONG TERM LIABILITY

TOTAL LONG TERM LIABILITIES	0.00
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EQUITY

Current Yr Earnings	7,400.92
Suspense	(2,994.42)
Distribution	(700,000.00)
Capital	6,064,688.39
Paid by Owner	8,940,638.49
Funds from Owner	1,686,863.71
Retained Earnings	(9,502,239.10)

TOTAL EQUITY	6,494,357.99
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Attachment: Balance Sheet for the Period Ending December 31, 2020 (2329 : Civic Center Second Quarter Financial Report for FY 20/21)

Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Accrual

Report includes an open period. Entries are not final.

Dec 2020

TOTAL LIABILITIES & EQUITY

6,560,620.86

Database: ESSEXREALTY
 ENTITY: 742

Income Statement
Income Statement
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	6 Months
Thru:	Dec 2020	Dec 2020
INCOME		
RENTAL INCOME		
Rent	98,070.25	583,488.04
Deferred- Revenue	431.20	(7,761.60)
Contra Revenue	(45,830.40)	(274,982.40)
CAM Revenue	6,121.49	36,728.94
Contra CAM	(5,832.17)	(34,993.02)
TOTAL RENTAL INCOME	52,960.37	302,479.96
RECOVERY INCOME		
TOTAL RECOVERY INCOME	0.00	0.00
OTHER INCOME		
TOTAL OTHER INCOME	0.00	0.00
TOTAL INCOME	52,960.37	302,479.96

EXPENSES

DIRECT OPERATING EXPENSES

Security-Fire Alarms	134.00	5,200.00
Cleaning Contract-Janitor	4,006.73	23,731.49
Add'l Cleaning-DayPorter	3,639.37	21,571.22
Cleaning Supplies	95.92	3,995.33
Window Cleaning	2,068.00	4,136.00
Mgmt Fee-Agent	4,033.00	23,877.43
HVAC Contract Services	1,025.00	6,087.00
HVAC Repair/Maint	0.00	8,910.34
Elevator Contract Service	577.61	3,372.22
Waterproofing & Roofing	4,000.00	4,000.00
Painting	210.26	210.26
Plumbing Repairs/Supplies	43.87	133.84
Electrical Repair/Maint	0.00	258.79
Doors & Locks	0.00	176.96
Floor & Carpet Rpr/Maint	295.00	1,710.00
Pest Control	75.00	450.00
Misc Repair/Maint	184.66	2,736.27
Onsite Maint Personnel	2,324.67	12,019.04
Electricity-General	5,668.59	61,257.56
Gas	173.84	388.47
Water & Sewer	1,409.65	9,554.13
Property Telephone	142.65	907.22
Pkg Lot-Lighting	0.00	1,750.00
Pkg Lot-Sweeping	228.00	1,368.00
Landscaping Contract	2,400.00	14,400.00
Landscaping-Interior	353.73	2,136.31
Fountain Maintenance	325.00	925.00

Attachment: Income Statement for the Period Ending December 31, 2020 (2329 : Civic Center Second Quarter Financial Report for FY 20/21)

Database: ESSEXREALTY
 ENTITY: 742

Income Statement
Income Statement
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 2
 Date: 1/9/2021
 Time: 06:48 PM

Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	6 Months
Thru:	Dec 2020	Dec 2020
Insurance	8,264.48	49,586.87
Insurance - Earthquake	1,403.25	8,419.49
Real Estate Taxes	2,528.45	6,284.32
TOTAL DIRECT OPERATING EXPENSES	45,610.73	279,553.56
NET OPERATING INCOME	7,349.64	22,926.40
OTHER INCOME & EXPENSES		
Advertising & Promotion	703.83	2,413.83
Admin & Professional Exp.	50.00	905.00
Environmental Expense	0.00	189.00
Tenant Space Refurb	0.00	665.00
Repairs & Maint- Indirect	2,168.60	11,378.68
Interest Income	(1.58)	(26.03)
TOTAL OTHER INCOME & EXPENSES	2,920.85	15,525.48
NET INCOME/(LOSS)	4,428.79	7,400.92

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 1
Date: 11/3/2020
Time: 12:34 AM

10/20 Through 10/20

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105734	10/2/2020	10/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-091720	9/17/2020	10/12/2020	1,151.90	0.00	1,151.90
@	169922449540	08/12/20-09/14/20 Mtr 08956098							
						<i>Check Total:</i>	1,151.90	0.00	1,151.90
105735	10/2/2020	10/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-091720	9/17/2020	10/12/2020	67.44	0.00	67.44
@	169922449542	08/12/20-09/14/20 Mtr 00036069							
						<i>Check Total:</i>	67.44	0.00	67.44
105736	10/2/2020	10/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-091720	9/17/2020	10/12/2020	736.71	0.00	736.71
@	169922449548	08/12/20-09/14/20 Mtr 08188857							
						<i>Check Total:</i>	736.71	0.00	736.71
105737	10/2/2020	10/20	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-092320	9/23/2020	10/12/2020	4,234.29	0.00	4,234.29
@	2270506934	08/21/20-09/22/20 Mtr 259000-050224							
						<i>Check Total:</i>	4,234.29	0.00	4,234.29
105738	10/2/2020	10/20	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-092520	9/25/2020	10/14/2020	6,488.51	0.00	6,488.51
@	2265197749	08/24/20-09/23/20 Mtr 259000-050223							
						<i>Check Total:</i>	6,488.51	0.00	6,488.51
105739	10/13/2020	10/20	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-1020MF	10/1/2020	10/31/2020	3,915.00	0.00	3,915.00
@	10/20 Mgmt Fee								
						<i>Check Total:</i>	3,915.00	0.00	3,915.00
105740	10/13/2020	10/20	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-100220	10/2/2020	10/22/2020	45.86	0.00	45.86
@	14430971474	08/27/20-09/30/20 Mtr 13001720							
						<i>Check Total:</i>	45.86	0.00	45.86

Attachment: Check Register for October, November, and December 2020 (2329 : Civic Center Second

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 2
Date: 11/3/2020
Time: 12:34 AM

10/20 Through 10/20

Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number Description	Vendor ID Account Name	Vendor Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
105741	10/13/2020	10/20	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba						
742		5160-0000	Cleaning Supplies	M1435913-IN	9/28/2020	9/28/2020	1,157.15	0.00	1,157.15	
@	111		09/20 Supplies							
742		5130-0000	Cleaning Contract-Janitor	M1434914-IN	9/22/2020	9/22/2020	3,944.94	0.00	3,944.94	
@	111		09/20 Janitorial Svc							
Check Total:								5,102.09	0.00	5,102.09
105742	10/13/2020	10/20	AIRCO1	AIR CONTROL SYSTEMS INC						
742		5415-0000	HVAC Repair/Maint	INV-29633	9/30/2020	10/30/2020	198.00	0.00	198.00	
@	A12407		Ste 230 svc call							
Check Total:								198.00	0.00	198.00
105743	10/13/2020	10/20	FIRESA	THE BRETHREN INC dba						
742		5121-0000	Security-Fire Alarms	1078659	10/1/2020	10/31/2020	195.00	0.00	195.00	
@	ACCT1965		10/20-12/20 Qtrly Fire Sprinkler Inspect							
742		5121-0000	Security-Fire Alarms	1079310	10/1/2020	10/31/2020	195.00	0.00	195.00	
@	ACCT1965		10/20-12/20 Qtr 3 Fire Sprinkler Inspect							
Check Total:								390.00	0.00	390.00
105744	10/13/2020	10/20	HATTOX	HATTOX DESIGN GROUP LLC						
742		7320-0000	Admin & Professional Exp.	2006106	6/24/2020	7/24/2020	500.00	0.00	500.00	
@	Design Fees 205									
Check Total:								500.00	0.00	500.00
105745	10/13/2020	10/20	HERITA	HERITAGE WINDOW COVERINGS INC						
742		7330-0000	Tenant Space Refurb	023277	10/7/2020	10/7/2020	665.00	0.00	665.00	
@	ESSEX2		Planning lobby Furnish & Inst mini blinds							
Check Total:								665.00	0.00	665.00
105746	10/13/2020	10/20	LIVIN1	DONALD GILBERT dba						
742		5562-0000	Landscaping-Interior	T84197	9/22/2020	10/22/2020	329.00	0.00	329.00	
@	10/20 Int Plant Svc									
Check Total:								329.00	0.00	329.00
105747	10/13/2020	10/20	MASTE5	MASTERCARE PROTECTION & CLEANING						
742		5485-0000	Floor & Carpet Rpr/Maint	32369	10/2/2020	11/1/2020	855.00	0.00	855.00	

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@	10/20-12/20	Carpet	Cleaning							
								855.00	0.00	855.00
105748	10/13/2020	10/20	MERCH1	MERCHANTS BUILDING MAINTENANCE LLC						
742		5150-0000	Add'l Cleaning-DayPorter		599834	10/1/2020	10/1/2020	3,551.37	0.00	3,551.37
@	33013	10/20 Dayporter Svc								
								3,551.37	0.00	3,551.37
105749	10/13/2020	10/20	MILLE7	MILLENNIUM ALARM SYSTEMS INC						
742		7333-0000	Repairs & Maint- Indirect		040802-4177	10/6/2020	11/5/2020	3,000.00	0.00	3,000.00
@		Camera Maintenance	Contract							
								3,000.00	0.00	3,000.00
105750	10/13/2020	10/20	NIEVES	NIEVES LANDSCAPE INC						
742		5560-0000	Landscaping Contract		68377	10/1/2020	10/31/2020	2,400.00	0.00	2,400.00
@		10/20 Landscape Svc								
								2,400.00	0.00	2,400.00
105751	10/13/2020	10/20	PARAG1	SAN DIEGO SERVICES LLC dba						
742		5460-0000	Plumbing Repairs/Supplies		174049 C	9/30/2020	10/30/2020	14.73	0.00	14.73
@		plumbing supplies								
742		5465-0000	Electrical Repair/Maint		173354-C	6/30/2020	7/30/2020	24.26	0.00	24.26
@		LED LIGHTS								
742		5465-0000	Electrical Repair/Maint		173822 C	8/31/2020	9/30/2020	24.48	0.00	24.48
@		Bldg lighting	supplies							
742		5495-0000	Onsite Maint Personnel		174110-C	9/30/2020	10/30/2020	1,771.36	0.00	1,771.36
@		09/20 Bldg Engineer								
742		5465-0000	Electrical Repair/Maint		173822 C	8/31/2020	9/30/2020	-9.18	0.00	-9.18
@		Monument Lights	Return							
								1,825.65	0.00	1,825.65
105752	10/13/2020	10/20	SOUT39	JEFF ALEXANDER dba						
742		5565-0000	Fountain Maintenance		371-43	10/1/2020	10/31/2020	150.00	0.00	150.00
@		10/20 Fountain Svc								
								150.00	0.00	150.00

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date			Amount	Amount	Amount
Dept	Reference	Description								
105753	10/13/2020	10/20	TSCMCO	TSCM CORPORATION						
742		5525-0000	Pkg Lot-Sweeping	2220085	10/1/2020	10/31/2020		228.00	0.00	228.00
@	10/20 Sweeping Svc									
							<i>Check Total:</i>	228.00	0.00	228.00
105754	10/19/2020	10/20	COXCOM	COX COMMUNICATIONS						
742		5410-0000	HVAC Contract Services	11901-100520	10/5/2020	10/26/2020		95.00	0.00	95.00
@	0017601048511901	10/05/20-11/04/20 DSL for EMS								
							<i>Check Total:</i>	95.00	0.00	95.00
							<i>CITY OF LAGUNA HILLS Total:</i>	35,928.82	0.00	35,928.82
							<i>Grand Total:</i>	35,928.82	0.00	35,928.82

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105755	10/28/2020	11/20	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	15474265	10/15/2020	11/23/2020	128.28	0.00	128.28
@	9391060982	09/15/20-10/14/20 BAN 9391060982							
						<i>Check Total:</i>	<i>128.28</i>	<i>0.00</i>	<i>128.28</i>
105756	10/28/2020	11/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-101520	10/15/2020	11/9/2020	897.34	0.00	897.34
@	169922449540	09/14/20-10/13/20 Mtr 08956098							
						<i>Check Total:</i>	<i>897.34</i>	<i>0.00</i>	<i>897.34</i>
105757	10/28/2020	11/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-101520	10/15/2020	11/9/2020	67.44	0.00	67.44
@	169922449542	09/14/20-10/13/20 Mtr 00036069							
						<i>Check Total:</i>	<i>67.44</i>	<i>0.00</i>	<i>67.44</i>
105758	10/28/2020	11/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-101520	10/15/2020	11/9/2020	590.18	0.00	590.18
@	169922449548	09/14/20-10/13/20 Mtr 08188857							
						<i>Check Total:</i>	<i>590.18</i>	<i>0.00</i>	<i>590.18</i>
105759	10/28/2020	11/20	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-102320	10/23/2020	11/12/2020	3,390.88	0.00	3,390.88
@	2270506934	09/22/20-10/22/20 Mtr 259000-050224							
						<i>Check Total:</i>	<i>3,390.88</i>	<i>0.00</i>	<i>3,390.88</i>
105760	10/29/2020	11/20	HSGINC	HSG PROFESSIONAL WINDOW CLEANERS					
742		5180-0000	Window Cleaning	47200	5/13/2020	6/12/2020	2,068.00	0.00	2,068.00
@	05/20 Ext Window Cle an								
						<i>Check Total:</i>	<i>2,068.00</i>	<i>0.00</i>	<i>2,068.00</i>
105761	11/4/2020	11/20	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-102720	10/27/2020	11/16/2020	5,275.10	0.00	5,275.10
@	2265197749	09/23/20-10/23/20 Mtr 259000-050223							
						<i>Check Total:</i>	<i>5,275.10</i>	<i>0.00</i>	<i>5,275.10</i>

Attachment: Check Register for October, November, and December 2020 (2329 : Civic Center Second

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105762	11/11/2020	11/20	ESSEX	ESSEX REALTY MANAGEMENT INC ***	VOID ***	Voided Check			
742		5305-0000	Mgmt Fee-Agent	742-0920MFR	10/31/2020	11/30/2020	151.43	0.00	151.43
@	10/20	Mgmt Fee Rec							
742		5305-0000	Mgmt Fee-Agent	742-1120MF	11/1/2020	11/1/2020	4,033.00	0.00	4,033.00
@	11/20	Mgmt Fee							
742		5305-0000	Mgmt Fee-Agent	742-1120MF	11/1/2020	11/1/2020	-4,033.00	0.00	-4,033.00
@	LOST								
742		5305-0000	Mgmt Fee-Agent	742-0920MFR	10/31/2020	11/30/2020	-151.43	0.00	-151.43
@	LOST								
						<i>Check Total:</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
105763	11/11/2020	11/20	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-110320	11/3/2020	11/24/2020	42.81	0.00	42.81
@	14430971474	09/30/20-10/30/20 Mtr 13001720							
						<i>Check Total:</i>	<i>42.81</i>	<i>0.00</i>	<i>42.81</i>
105764	11/12/2020	11/20	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1439612-IN	10/21/2020	10/21/2020	3,944.94	0.00	3,944.94
@	111	10/20 Janitorial Svc							
						<i>Check Total:</i>	<i>3,944.94</i>	<i>0.00</i>	<i>3,944.94</i>
105765	11/12/2020	11/20	DIXIED	DIXIE DIESEL AND ELECTRIC INC					
742		7333-0000	Repairs & Maint- Indirect	223486	10/16/2020	11/15/2020	1,278.43	0.00	1,278.43
@	Annual Major/Minor	Generator Svc							
742		7333-0000	Repairs & Maint- Indirect	223487	10/16/2020	11/15/2020	925.00	0.00	925.00
@	Generator Load Bank	Test							
						<i>Check Total:</i>	<i>2,203.43</i>	<i>0.00</i>	<i>2,203.43</i>
105766	11/12/2020	11/20	HATTOX	HATTOX DESIGN GROUP LLC					
742		7320-0000	Admin & Professional Exp.	2010106	10/28/2020	11/27/2020	105.00	0.00	105.00
@	OC Clerk plan change	s-160							
						<i>Check Total:</i>	<i>105.00</i>	<i>0.00</i>	<i>105.00</i>
105767	11/12/2020	11/20	LIVIN1	DONALD GILBERT dba					
742		5562-0000	Landscaping-Interior	T84282	10/20/2020	11/19/2020	329.00	0.00	329.00
@	11/20 Int Plant Svc								

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742 @		5562-0000 6 Poinsettias		Landscaping-Interior	T84351	10/29/2020	11/28/2020	105.52	0.00	105.52
<i>Check Total:</i>								<i>434.52</i>	<i>0.00</i>	<i>434.52</i>
105768 742 @	11/12/2020 11/20 Landscape Svc	11/20 5560-0000	NIEVES Landscaping Contract	NIEVES LANDSCAPE INC	68576	11/2/2020	12/2/2020	2,400.00	0.00	2,400.00
<i>Check Total:</i>								<i>2,400.00</i>	<i>0.00</i>	<i>2,400.00</i>
105769 742 @	11/12/2020 Inv. 2631479	11/20 5465-0000	PARAG1 electrical supplies	SAN DIEGO SERVICES LLC dba	174274C	10/31/2020	11/30/2020	188.03	0.00	188.03
742 @	Inv. 2631386	5465-0000	electrical supplies	Electrical Repair/Maint	174274C	10/31/2020	11/30/2020	31.20	0.00	31.20
742 @	Inv. 9523377 misc	5491-0000	bldg supplies	Misc Repair/Maint	174274C	10/31/2020	11/30/2020	128.49	0.00	128.49
742 @	Inv. 7524982 misc	5491-0000	bldg supplies	Misc Repair/Maint	174274C	10/31/2020	11/30/2020	16.79	0.00	16.79
742 @	Inv. 9633868 womens	5460-0000	bath plmbing	Plumbing Repairs/Supplies	174274C	10/31/2020	11/30/2020	75.24	0.00	75.24
<i>Check Total:</i>								<i>439.75</i>	<i>0.00</i>	<i>439.75</i>
105770 742 @	11/12/2020 10/20 Pest Control	11/20 5490-0000	SKYLIN Pest Control	CTJAMJT CORPORATION dba	173094	10/19/2020	11/18/2020	75.00	0.00	75.00
<i>Check Total:</i>								<i>75.00</i>	<i>0.00</i>	<i>75.00</i>
105771 742 @	11/12/2020 11/20 Fountain Svc	11/20 5565-0000	SOUT39 Fountain Maintenance	JEFF ALEXANDER dba	371-44	11/1/2020	12/1/2020	150.00	0.00	150.00
<i>Check Total:</i>								<i>150.00</i>	<i>0.00</i>	<i>150.00</i>
105772 742 @	11/12/2020 348817	11/20 7333-0000	SSDSYS Repairs & Maint- Indirect	SECURITY SIGNAL DEVICES INC dba	R-00224522	10/10/2020	10/10/2020	327.33	0.00	327.33
742		5121-0000	11/20 Sys Maint	Security-Fire Alarms	R-00224522	10/10/2020	10/10/2020	100.00	0.00	100.00

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Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number	Vendor ID Account Number Description	Vendor Name Account Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
@	348817		11/20 Sys Maint							
								<i>Check Total:</i>	427.33	0.00
										427.33
105773 742 @	11/12/2020 11/20 Sweeping Svc	11/20 5525-0000	TSCMCO Pkg Lot-Sweeping	TSCM CORPORATION	1102085	11/1/2020	12/1/2020	228.00	0.00	228.00
								<i>Check Total:</i>	228.00	0.00
										228.00
105774 742 @	11/19/2020 0017601048511901	11/20 5410-0000	COXCOM HVAC Contract Services	COX COMMUNICATIONS	11901-111220	11/5/2020	11/5/2020	95.00	0.00	95.00
			11/05/20-12/04/20 DSL for EMS					<i>Check Total:</i>	95.00	0.00
										95.00
105775 742 @	11/19/2020 111	11/20 5160-0000	ABLEBU Cleaning Supplies	CROWN BLDG MAINTENANCE CO INC dba	M1442957-IN	10/31/2020	10/31/2020	908.21	0.00	908.21
			10/20 Supplies					<i>Check Total:</i>	908.21	0.00
										908.21
105776 742 @	11/19/2020 A12407	11/20 5410-0000	AIRCO1 HVAC Contract Services	AIR CONTROL SYSTEMS INC	inv-27725	10/30/2020	11/29/2020	2,758.00	0.00	2,758.00
			07/20-09/20 HVAC Svc					<i>Check Total:</i>	2,758.00	0.00
										2,758.00
105777 742 @	11/19/2020 33013	11/20 5150-0000	MERCH1 Add'l Cleaning-DayPorter	MERCHANTS BUILDING MAINTENANCE LLC	602458	11/1/2020	11/1/2020	3,551.37	0.00	3,551.37
			11/20 Dayporter Svc					<i>Check Total:</i>	3,551.37	0.00
										3,551.37
105778 742 @	11/19/2020 10/20 Bldg Engineer	11/20 5495-0000	PARAG1 Onsite Maint Personnel	SAN DIEGO SERVICES LLC dba	174336 C	10/31/2020	11/30/2020	2,339.79	0.00	2,339.79
			Svc					<i>Check Total:</i>	2,339.79	0.00
										2,339.79
105779 742	11/19/2020	11/20 7305-0000	SPLEN1 Advertising & Promotion	SPLENDID EVENTS INC	107	11/13/2020	12/13/2020	1,710.00	0.00	1,710.00

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date			Amount	Amount	Amount
Dept	Reference	Description								
@	Holiday Decor	Install/Rmvl								
<i>Check Total:</i>								1,710.00	0.00	1,710.00
105780	11/19/2020	11/20	STODD1	STODDARDS RESTORATION SERVICES INC						
742		7333-0000	Repairs & Maint- Indirect	122333	11/11/2020	12/11/2020		1,185.00	0.00	1,185.00
@	10/20 - 12/20 Wood	Maintenance								
742		5491-0000	Misc Repair/Maint	122334b	11/11/2020	12/11/2020		1,185.00	0.00	1,185.00
@	10/20 - 12/20 Wood	Maintenance								
<i>Check Total:</i>								2,370.00	0.00	2,370.00
105781	11/24/2020	11/20	ESSEX	ESSEX REALTY MANAGEMENT INC						
742		5305-0000	Mgmt Fee-Agent	742-1120MF	11/1/2020	11/1/2020		4,033.00	0.00	4,033.00
@	11/20 Mgmt Fee									
742		5305-0000	Mgmt Fee-Agent	742-0920MFR	10/31/2020	11/30/2020		151.43	0.00	151.43
@	10/20 Mgmt Fee Rec									
<i>Check Total:</i>								4,184.43	0.00	4,184.43
<i>CITY OF LAGUNA HILLS Total:</i>								40,784.80	0.00	40,784.80
<i>Grand Total:</i>								40,784.80	0.00	40,784.80

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105782	11/30/2020	12/20	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	15620858	11/11/2020	12/11/2020	136.65	0.00	136.65
@	9391060982	10/15/20-11/14/20	BAN 9391060982						
						<i>Check Total:</i>	<i>136.65</i>	<i>0.00</i>	<i>136.65</i>
105783	11/30/2020	12/20	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-112320	11/23/2020	12/14/2020	2,747.20	0.00	2,747.20
@	2270506934	10/22/20-11/21/20	Mtr 259000-050224						
						<i>Check Total:</i>	<i>2,747.20</i>	<i>0.00</i>	<i>2,747.20</i>
105784	12/1/2020	12/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	42-111720-01	11/17/2020	12/14/2020	67.44	0.00	67.44
@	169922449542	10/13/20-11/13/20	Mtr 00036069						
						<i>Check Total:</i>	<i>67.44</i>	<i>0.00</i>	<i>67.44</i>
105785	12/1/2020	12/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-111720	11/17/2020	12/14/2020	709.59	0.00	709.59
@	169922449540	10/13/20-11/13/20	Mtr 08956098						
						<i>Check Total:</i>	<i>709.59</i>	<i>0.00</i>	<i>709.59</i>
105786	12/1/2020	12/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-111720	11/17/2020	12/14/2020	67.44	0.00	67.44
@	169922449542	10/13/20-11/13/20	Mtr 00036069						
						<i>Check Total:</i>	<i>67.44</i>	<i>0.00</i>	<i>67.44</i>
105787	12/1/2020	12/20	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-111720	11/17/2020	12/14/2020	752.62	0.00	752.62
@	169922449548	10/13/20-11/13/20	Mtr 08188857						
						<i>Check Total:</i>	<i>752.62</i>	<i>0.00</i>	<i>752.62</i>
105788	12/14/2020	12/20	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-1220MF	12/1/2020	12/31/2020	4,033.00	0.00	4,033.00
@	12/20 Mgmt Fee								
						<i>Check Total:</i>	<i>4,033.00</i>	<i>0.00</i>	<i>4,033.00</i>

Attachment: Check Register for October, November, and December 2020 (2329 : Civic Center Second

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105789	12/14/2020	12/20	JALBUI	JAL BUILDERS INC					
742		5445-0000	Waterproofing & Roofing	010.1	12/4/2020	1/3/2021	2,500.00	0.00	2,500.00
@	Roof access rpr								
					<i>Check Total:</i>		<i>2,500.00</i>	<i>0.00</i>	<i>2,500.00</i>
105790	12/15/2020	12/20	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1444794-IN	11/24/2020	11/24/2020	3,975.73	0.00	3,975.73
@	111		11/20 Janitorial Svc						
742		5150-0000	Add'l Cleaning-DayPorter	M1445571-IN	11/30/2020	12/30/2020	88.00	0.00	88.00
@	111		Add'l Dayporter coverage 11/19/20						
					<i>Check Total:</i>		<i>4,063.73</i>	<i>0.00</i>	<i>4,063.73</i>
105791	12/15/2020	12/20	ADCOSH	ADCO SOUTH ROOFING & WATERPROOFING					
742		5445-0000	Waterproofing & Roofing	1662	11/16/2020	12/16/2020	1,500.00	0.00	1,500.00
@	Roof leak rpr								
					<i>Check Total:</i>		<i>1,500.00</i>	<i>0.00</i>	<i>1,500.00</i>
105792	12/15/2020	12/20	AMTEC2	PACIFIC COAST ELEVATOR INC dba					
742		5435-0000	Elevator Contract Service	151400186223	11/13/2020	11/13/2020	1,676.61	0.00	1,676.61
@	320358		12/20-02/21 Qtrly Elevator Svc						
					<i>Check Total:</i>		<i>1,676.61</i>	<i>0.00</i>	<i>1,676.61</i>
105793	12/15/2020	12/20	DIXIED	DIXIE DIESEL AND ELECTRIC INC					
742		7333-0000	Repairs & Maint- Indirect	223668	11/17/2020	12/17/2020	1,513.94	0.00	1,513.94
@	generator fuel								
					<i>Check Total:</i>		<i>1,513.94</i>	<i>0.00</i>	<i>1,513.94</i>
105794	12/15/2020	12/20	HSGINC	HSG PROFESSIONAL WINDOW CLEANERS					
742		5180-0000	Window Cleaning	48257	11/30/2020	12/30/2020	2,068.00	0.00	2,068.00
@	11/20 Ext Window	Clean							
					<i>Check Total:</i>		<i>2,068.00</i>	<i>0.00</i>	<i>2,068.00</i>
105795	12/15/2020	12/20	LIVIN1	DONALD GILBERT dba					
742		5562-0000	Landscaping-Interior	T84428	11/20/2020	12/20/2020	329.00	0.00	329.00
@	12/20 Int Plant Svc								
742		5562-0000	Landscaping-Interior	T84495	12/8/2020	1/7/2021	24.73	0.00	24.73

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Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number Description	Vendor ID Account Name	Vendor Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
@	1	bromeliad								
<i>Check Total:</i>								353.73	0.00	353.73
105796	12/15/2020	12/20	MERCH1	MERCHANTS BUILDING MAINTENANCE LLC						
742		5150-0000	Add'l Cleaning-DayPorter	607269	12/1/2020	12/1/2020		3,551.37	0.00	3,551.37
@	33013	12/20 Dayporter Svc								
<i>Check Total:</i>								3,551.37	0.00	3,551.37
105797	12/15/2020	12/20	SKYLIN	CTJAMJT CORPORATION dba						
742		5490-0000	Pest Control	169911	9/14/2020	10/14/2020		75.00	0.00	75.00
@	09/20	Pest Control								
742		5490-0000	Pest Control	176141	11/16/2020	12/16/2020		75.00	0.00	75.00
@	11/20	Pest Control								
742		5490-0000	Pest Control	178461	12/1/2020	12/31/2020		75.00	0.00	75.00
@	12/20	Pest Control								
<i>Check Total:</i>								225.00	0.00	225.00
105798	12/15/2020	12/20	SOUT39	JEFF ALEXANDER dba						
742		5565-0000	Fountain Maintenance	371-45	12/1/2020	12/31/2020		325.00	0.00	325.00
@	12/20	Fountain Svc								
<i>Check Total:</i>								325.00	0.00	325.00
105799	12/15/2020	12/20	SPLEN1	SPLENDID EVENTS INC						
742		7305-0000	Advertising & Promotion	113	12/2/2020	1/1/2021		703.83	0.00	703.83
@		tenant appreciation								
<i>Check Total:</i>								703.83	0.00	703.83
105800	12/15/2020	12/20	SSDSYS	SECURITY SIGNAL DEVICES INC dba						
742		7333-0000	Repairs & Maint- Indirect	R-00243513	11/9/2020	11/9/2020		327.33	0.00	327.33
@	348817	12/20 Sys Maint								
742		5121-0000	Security-Fire Alarms	R-00243513	11/9/2020	11/9/2020		100.00	0.00	100.00
@	348817	12/20 Sys Maint								
<i>Check Total:</i>								427.33	0.00	427.33
105801	12/15/2020	12/20	TSCMCO	TSCM CORPORATION						
742		5525-0000	Pkg Lot-Sweeping	1202086	12/1/2020	12/31/2020		228.00	0.00	228.00

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Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number Description	Vendor ID Vendor Name Account Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
@	12/20	Sweeping Svc							
						Check Total:	228.00	0.00	228.00
105802	12/15/2020	12/20	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-120420	12/4/2020	12/28/2020	111.84	0.00	111.84
@	14430971474	10/30/20-12/02/20 Mtr 13001720							
						Check Total:	111.84	0.00	111.84
105803	12/22/2020	12/20	NIEVES	NIEVES LANDSCAPE INC					
742		5560-0000	Landscaping Contract	68784	12/1/2020	12/31/2020	2,400.00	0.00	2,400.00
@	12/20	Landscape Svc							
						Check Total:	2,400.00	0.00	2,400.00
105804	12/22/2020	12/20	PARAG1	SAN DIEGO SERVICES LLC dba					
742		5495-0000	Onsite Maint Personnel	174584-C	11/30/2020	12/30/2020	2,274.68	0.00	2,274.68
@	11/20	Bldg Engineer Svc							
742		5495-0000	Onsite Maint Personnel	174685-C	12/14/2020	1/13/2021	114.99	0.00	114.99
@	2020	Eng Bonus							
742		5460-0000	Plumbing Repairs/Supplies	174274-C	11/30/2020	12/30/2020	26.84	0.00	26.84
@		soap dispenser part							
742		5491-0000	Misc Repair/Maint	174274-C	11/30/2020	12/30/2020	1.44	0.00	1.44
@		mailbox parts							
742		5450-0000	Painting	174274-C	11/30/2020	12/30/2020	51.99	0.00	51.99
@		paint rmvl/ dsp suppl							
742		5450-0000	Painting	174274-C	11/30/2020	12/30/2020	18.27	0.00	18.27
@		paint rmvl/ dsp suppl							
742		5160-0000	Cleaning Supplies	174274-C	11/30/2020	12/30/2020	95.92	0.00	95.92
@		soap for dispensers							
742		5491-0000	Misc Repair/Maint	174274-C	11/30/2020	12/30/2020	8.61	0.00	8.61
@		vacant electric suppl							
742		5450-0000	Painting	174274-C	11/30/2020	12/30/2020	140.00	0.00	140.00
@		paint rmvl/ dsp supp suppl							
742		5491-0000	Misc Repair/Maint	174274-C	11/30/2020	12/30/2020	41.49	0.00	41.49
@		misc bldg suppl							
742		5491-0000	Misc Repair/Maint	174274-C	11/30/2020	12/30/2020	122.15	0.00	122.15
@		smll trailr rentl							
742		5491-0000	Misc Repair/Maint	174274-C	11/30/2020	12/30/2020	10.97	0.00	10.97
@		misc bldg suppl							

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Check Register
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Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number Description	Vendor ID Account Name Description	Vendor Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
742 @		5460-0000 misc plmbing suppl		Plumbing Repairs/Supplies	174274-C	11/30/2020	12/30/2020	17.03	0.00	17.03
<i>Check Total:</i>								<i>2,924.38</i>	<i>0.00</i>	<i>2,924.38</i>
105805	12/22/2020	12/20	SSDSYS	SECURITY SIGNAL DEVICES INC dba						
742 @	348817	7333-0000 12/20 Sys Maint		Repairs & Maint- Indirect	R-00250601	12/10/2020	12/10/2020	327.33	0.00	327.33
742 @	348817	5121-0000 12/20 Sys Maint		Security-Fire Alarms	R-00250601	12/10/2020	12/10/2020	100.00	0.00	100.00
<i>Check Total:</i>								<i>427.33</i>	<i>0.00</i>	<i>427.33</i>
105806	12/22/2020	12/20	COXCOM	COX COMMUNICATIONS						
742 @	0017601048511901	5410-0000 12/05/20-01/04/21 DSL for EMS		HVAC Contract Services	11901-120620	12/6/2020	12/26/2020	95.00	0.00	95.00
<i>Check Total:</i>								<i>95.00</i>	<i>0.00</i>	<i>95.00</i>
OL120220	12/2/2020	12/20	SCE	SOUTHERN CALIFORNIA EDISON						
742 @	2265197749	5499-0000 10/23/20-11/23/20 Mtr 259000-050223		Electricity-General	97749-112520	11/25/2020	12/14/2020	3,906.39	0.00	3,906.39
<i>Check Total:</i>								<i>3,906.39</i>	<i>0.00</i>	<i>3,906.39</i>
<i>CITY OF LAGUNA HILLS Total:</i>								<i>37,515.42</i>	<i>0.00</i>	<i>37,515.42</i>
<i>Grand Total:</i>								<i>37,515.42</i>	<i>0.00</i>	<i>37,515.42</i>

Attachment: Check Register for October, November, and December 2020 (2329 : Civic Center Second



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Amendment No. 2 to Office Lease with Koorosh Hosn, D.D.S., for 24031 El Toro Rd, Suite 230, Laguna Hills, California

RECOMMENDATION: That the City Council approve Amendment No. 2 to the Office Lease with Koorosh Hosn, D.D.S., a professional corporation, for 24031 El Toro Road, Suite 230, Laguna Hills, California, and authorize the City Manager to execute the Amendment.

SUMMARY:

At its July 10, 2018, City Council meeting, the City Council approved a five-year office lease with Koorosh Hosn, D.D.S., a professional corporation, for 24031 El Toro Road, Suite 230. This dental practice is in the third year of its current lease in the Civic Center building, although it has been a long-time tenant since 1999.

With the issuance of Executive Order N-33-20 by Governor Newsom related to COVID-19, the statewide shelter-in-place order required individuals living in California to stay at home or at their place of residence. The California Dental Association issued a statement on March 20, 2020, strongly recommending that dentists practicing in California suspend all in-person dental care with the exception of emergency treatment, resulting in a number of dental practices, including Koroosh Hosn, D.D.S., temporarily closing their offices to the public. Consequently, at the request of Koroosh Hosn, D.D.S., the City Council approved a temporary rent reduction of \$0.45/ sq. ft., or 15%, for six-months at its August 25, 2020, City Council meeting for the period of May 1, 2020 through October 31, 2020.

Amendment No. 2 to Office Lease with Koorosh Hosn, D.D.S., for 24031 El Toro Rd, Suite 230

February 9, 2021

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With the ongoing impact of the COVID-19 pandemic, Koroosh Hosn, D.D.S., has now requested an additional rent reduction via the continuation of the temporary rent reduction of \$0.45/ sq. ft. for a second six-month period. It is a benefit to the Civic Center lease operations to maintain current tenancy and this requested short-term rent reduction is considered to be reasonable.

As a medical office use, this Lease does pay a higher base lease rate. Taking into account the temporary reduction described above, the reduced base lease rate will still be above the other non-medical uses' lease rates in the Civic Center building.

Staff recommends the City Council approve the attached Amendment No. 2 and authorize the City Manager to execute the Amendment.

FISCAL IMPACT:

The requested reduction in base rent of \$0.45 per square foot for Suite 230 would result in a total rent reduction of \$467 per month, for a total of \$2,800 over the requested six-month period.

ATTACHMENTS:

- Proposed Amendment No. 2 to Office Lease with Koorosh Hosn, D.D.S

and remedies, including, moratorium on unlawful detainer actions, and (ii) force majeure, acts of God, illegality, frustration, frustration of purpose, prevention of performance, duress, impossibility, emergency, unconscionability, absence or lack of control, rescission, and any other excuses or defenses of performance. Lessee certifies Lessor is not in breach or default and Lessee does not have any claims, defenses, offsets or credits against Lessor or the rent due under the Lease.

9. **Lessor's Obligations.** If Lessor's performance of any portion of the Lease is affected, prevented, delayed or stopped due to or caused by the Coronavirus Pandemic by law or other causes beyond the reasonable control of Lessor, then the time for such performance by Lessor shall be extended by the period of time that Lessor's performance is affected, prevented, delayed or stopped.

10. ☐ Other: N/A.

11. **Miscellaneous.** The defined terms of the Lease shall have the same meaning in this Amendment. Signatures to this Amendment accomplished by means of electronic signature or similar technology shall be legal and binding. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. This Amendment shall not be construed as if prepared by one of the Parties, but according to its fair meaning as a whole, as if both Parties had prepared it. Except as specifically amended by this Amendment, the Lease shall remain unchanged and continue in full force and effect.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKERS AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AMENDMENT. THE PARTIES ARE URGED TO SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AMENDMENT.

EXECUTED as of the date written above.

By Lessor:

The City of Laguna Hills

By: _____
 Name Printed: Kenneth H. Rosenfield
 Title: Acting City Manager
 Phone: 949-707-2610
 Fax: 949-707-2614
 Email: _____

By: _____
 Name Printed: Melissa Au-Yeung
 Title: Deputy City Manager/City Clerk
 Phone: 949-707-2610
 Fax: 949-707-2614
 Email: _____

Address: _____
 Federal ID No.: _____

By Lessee:

Koorosh Hosn, D.D.S. a professional corporation

By: _____
 Name Printed: Koorosh Hosn
 Title: Chief Executive Officer
 Phone: _____
 Fax: _____
 Email: _____

By: _____
 Name Printed: _____
 Title: _____
 Phone: _____
 Fax: _____
 Email: _____

Address: _____
 Federal ID No.: _____

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 INITIALS

 INITIALS



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Acting City Manager/Director of Public Services

ISSUE: Amendment No. 2 to Consulting Services Agreement with Kelly Associates Management Group, LLC for Strategic Planning, Economic Development, and Project Management Consulting Services for the Processing of the Proposed Village at Laguna Hills Project, Located at the Site of the Former Laguna Hills Mall

RECOMMENDATION: That the City Council approve Amendment No. 2 to Consulting Services Agreement with Kelly Associates Management Group, LLC, for Strategic Planning, Economic Development, and Project Management Consulting Services for the Processing of the Proposed Village at Laguna Hills Project, Located at the Site of the Former Laguna Hills Mall, and authorize the Mayor to execute Amendment No. 2.

SUMMARY:

On November 26, 2019, the City entered into a Consulting Services Agreement with Kelly Associates Management Group, LLC (KAMG) to provide project management consulting services to the City related to the processing of the proposed Village at Laguna Hills Project located at the former Laguna Hills Mall property, which has been submitted by Merlone Geier Partners (MGP). Due to delays experienced in processing MGP's application which has required an increase in consulting time, it is now necessary to increase the maximum contract amount for KAMG's project management services to ensure that uninterrupted project management services can be provided for the necessary processing of MGP's Project. The Consulting Services Agreement established an initial \$50,000 maximum contract amount which was subsequently increased by \$75,000 per approval of Amendment No. 1 by the City Council on July 14, 2020. To

continue the processing of the Project, it is now necessary to approve Amendment No. 2 to the Consulting Services Agreement increasing the maximum contract amount by an additional \$50,000. It should be noted that the entire cost of the services of KAMG is paid for by MGP as are all costs associated with processing of this Project. The proposed Amendment No. 2 to the KAMG Consulting Services Agreement, which is included as Attachment a, must be approved by the City Council in order to increase KAMG's maximum contract amount. A copy of the current Consulting Services Agreement between the City and KAMG and Amendment No. 1 are provided for informational purposes as Attachment b and Attachment c, respectively.

BACKGROUND:

On November 26, 2019, the City entered into a Consulting Services Agreement with Kelly Associates Management Group, LLC (KAMG) to provide project management consulting services to the City related to the processing of the proposed Village at Laguna Hills Project (Project) located at the former Laguna Hills Mall property, which has been submitted by Merlone Geier Partners (MGP). The Consulting Services Agreement provides for strategic planning, economic development, and project management consulting services to assist the City with processing of the MGP Project. The Consulting Services Agreement established an initial \$50,000 maximum contract amount which was increased by \$75,000 per approval of Amendment No. 1 to the consulting services agreement by the City Council on July 14, 2020.

Due to unforeseen application processing delays, including but not limited to, delays attributable to an evolving project site plan consisting of multiple revised site plan proposals from the applicant, and the need to review the applicant's multiple submittals and resubmittals, the submission of an incomplete project description, the submission of incremental Project details from the applicant as well as incomplete Project details, the Project's overall complexity, the novel COVID-19 Pandemic and the State of Emergency declared by Federal, state, and local governments, including associated stay at home public health orders, as well as the closure of City Hall, the application has only recently been deemed complete. The extended processing of the Project has resulted in unanticipated additional time, work and expense and additional anticipated work to complete this effort now creates the need to increase the maximum contract amount of KAMG.

To continue uninterrupted processing of the Project, it is now necessary to approve Amendment No. 2 to the Consulting Services Agreement, Attachment a, increasing the

Amendment 2 Kelly and Associates
February 9, 2021
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maximum contract amount by an additional \$50,000. It should be noted that the entire cost of the services of KAMG is paid for by MGP, as are all costs associated with processing of the Project. A copy of the current Consulting Services Agreement between the City and KAMG and Amendment No. 1 to the Agreement are provided for informational purposes as Attachment b and Attachment c, respectively.

FISCAL IMPACT:

With the proposed Amendment No. 2 to the Consulting Services Agreement with KAMG, the maximum contract amount will be \$175,000. Funding of this Agreement is fully provided by MGP.

ATTACHMENTS:

- Attachment a - Proposed Amendment No. 2 to KAMG Consulting Services Agreement
- Attachment b - KAMG Consultant Services Agreement 2019
- Attachment c - Amendment No. 1 to KAMG Consulting Services Agreement

AMENDMENT NO. 2
TO
CONSULTING SERVICES AGREEMENT
Kelly Associates Management Group, LLC
(Strategic Planning, Economic Development, and Project Management Consulting Services)

THIS SECOND AMENDMENT to the Consulting Services Agreement with KELLY ASSOCIATES MANAGEMENT GROUP, LLC., (the “Amendment” or “Amendment No. 2”) is made and entered into to be effective the 9th day of February 2021, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the “City”), and KELLY ASSOCIATES MANAGEMENT GROUP, LLC., a California limited liability corporation, (hereinafter referred to as “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as “Parties.”

RECITALS

A. City and Consultant previously entered into that certain consulting services agreement for the provision of strategic planning, economic development, and project management consulting services to assist the City with processing the anticipated new Merlone-Geier redevelopment project at the former Laguna Hills Mall, entitled "The Village at Laguna Hills" (the “Project”), which was made and entered into on November 26, 2020 (the “Agreement”) and which may be duly amended, in writing, from time to time by the Parties. City does not have the personnel or technical expertise able to perform the work or services contracted for under the Agreement.

B. Sections 2.3 (Changes in Scope) and 10.2 (Amendment) of the Agreement provide that the Agreement may be amended in writing at any time by mutual consent of the Parties. Due to unforeseen application processing delays, including but not limited to, delays attributable to an evolving project site plan consisting of multiple revised site plan proposals from the applicant, and the need to review the applicant’s multiple submittals and resubmittals, the submission of an incomplete project description, the submission of incremental Project details from the applicant as well as incomplete Project details, the Project’s overall complexity, the novel COVID-19 Pandemic and the State of Emergency declared by Federal, state, and local governments, including associated stay at home public health orders, as well as the closure of City Hall, the application has only recently been deemed complete. These processing delays have resulted in unanticipated additional time, work and expense and now creates the need to increase the maximum contract amount established in Section 2.1 of the Agreement in order to provide for continued uninterrupted project management services to be performed by Consultant.

C. The Parties now desire to enter into this Amendment No. 2 to the Agreement for the purpose of increasing the Maximum Contract Amount set forth in Section 2.1 of the Agreement in order to provide for continued, uninterrupted project management services for the Project, as defined in the Agreement, under the same terms and conditions set forth in the Agreement. The proposed amendment creates a need to now increase the Maximum Contract Amount set forth in Section 2.1 of the Agreement by \$50,000, from \$125,000 to \$175,000.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed, including authorized reimbursements, in accordance with the hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of One Hundred Seventy Five Thousand Dollars (\$175,000.00) (hereinafter referred to as the "Maximum Contract Amount"). The method of compensation shall be as set forth in Exhibit "A". Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

2. Full Force and Effect. This Amendment No. 2 is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.
3. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
4. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

“CITY”
City of Laguna Hills,
 a California municipal corporation

 ERICA PEZOLD,
 Mayor

ATTEST:

 (SEAL)
 MELISSA AU-YEUNG,
 Assistant to the City Manager/ City Clerk

APPROVED AS TO FORM:

 GREGORY E. SIMONIAN,
 City Attorney

“CONSULTANT”
Kelly Associates Management Group,
LLC

By: _____
 WILLIAM R. KELLY,
 President/CEO

CONSULTING SERVICES AGREEMENT

Kelly Associates Management Group, LLC

(Strategic Planning, Economic Development, and Project Management Consulting Services)

THIS CONSULTING SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into, to be effective this 26th day of November 2019, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as "City"), and KELLY ASSOCIATES MANAGEMENT GROUP, LLC., a California limited liability corporation (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as the "Parties."

RECITALS

A. City has determined that there is a need to retain the services of a qualified strategic planning, economic development, and project management consulting firm to assist the City with processing the anticipated new Merlone-Geier redevelopment project at the former Laguna Hills Mall, entitled "The Village at Laguna Hills" (the "Project").

B. Consultant has submitted to City a proposal, dated November 11, 2019, to provide strategic planning, economic development, and project management consulting services to City for the Project pursuant to the terms of this Agreement.

C. Consultant represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and expertise to provide these services to City for the Project and has agreed to provide such services as provided herein. City does not have the personnel or technical expertise able to perform the work and services contracted for herein.

D. City desires to retain Consultant to provide such strategic planning, economic development, and project management consulting services for the Project.

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. SERVICES OF CONSULTANT

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Consultant agrees to provide and perform strategic planning, economic development, and project management consulting services to City for the Project as described and as set forth in Consultant's Proposal/Scope of Work, dated November 11, 2019, which is attached hereto as Exhibit "A" and is incorporated herein by reference (hereinafter

referred to as the “Scope of Services,” the “Services” or “Work”). As a material inducement to the City entering into this Agreement, Consultant acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Consultant’s Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and warrants that it is skilled in the professional discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. Consultant represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Work or Services assigned to them. All Services and Work shall be completed to the reasonable satisfaction of the City.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and, (2) the Consultant’s signed, original November 11, 2019, proposal submitted to the City (“Consultant’s Proposal”), which shall both be referred to collectively hereinafter as the “Contract Documents.” The Consultant’s Proposal, attached hereto as Exhibit “A,” is hereby incorporated by reference and is made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; and, (2nd) the provisions of the Consultant’s Proposal.

1.3 Compliance with Law. Consultant shall comply at all times during the term of this Agreement with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder, including without limitation all applicable fair labor standards and Cal/OSHA requirements. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If Consultant performs any Work or Services in violation of such laws, rules, and regulations, Consultant shall be solely responsible for all penalties and costs arising therefrom. Consultant shall defend, indemnify, and hold City, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

1.4 Licenses, Permits, Fees, and Assessments. Prior to performing any Services or Work hereunder Consultant shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for Consultant to perform the Work and Services under this Agreement. Consultant shall have the

sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

1.5 Familiarity with Work. By executing this Agreement, Consultant represents and warrants that it (a) has thoroughly investigated and considered the Scope of Work or Services to be performed, (b) has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed, and (c) fully understands the facilities, difficulties, and restrictions attending performance of the Services under this Agreement.

1.6 Care of Work. Consultant shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by the City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

1.8 Additional Services. City shall have the right at any time during the performance of the Services, without invalidating this Agreement, to order extra work beyond that specified in Consultant's Proposal/Scope of Work (Exhibit "A") or make changes by altering, adding to, or deducting from such Work. No such extra work may be undertaken unless a written order is first given by the City to the Consultant, incorporating therein any adjustment in (i) the Maximum Contract Amount, as defined below, and/or (ii) the time to perform this Agreement, which adjustments are subject to the written approval of the Consultant. It is expressly understood by Consultant that the provisions of this section shall not apply to the Work and Services specifically set forth in the Scope of Services or reasonably contemplated therein, regardless of whether the time or materials required to complete any Work or Service identified in the Scope of Services exceeds any time or material amounts or estimates provided therein.

1.9 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other contractors, consultants, or vendors for services similar to the services that are the subject of this Agreement. Consultant further acknowledges that City may have its own employees perform services similar to the services that are the subject of this Agreement.

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed, including authorized reimbursements, in accordance with the hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Fifty Thousand Dollars (\$50,000.00) (hereinafter referred to as the "Maximum Contract Amount"). The method of compensation shall be as set forth in Exhibit "A". Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

2.2. Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation/Fees (Exhibit "A"), in any month in which Consultant wishes to receive payment, no later than the tenth (10th) working day of such month, Consultant shall submit to the City, in a form approved by the City's Finance Director, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by Consultant and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. City shall use reasonable efforts to make payments to Consultant within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

2.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by the City, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional professional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon Schedule of Performance.

3.2 Schedule of Performance. Consultant shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all Services within the time period(s) established in the Schedule of Performance, which is attached hereto as Exhibit "A" and is incorporated herein by reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer; however, the City shall not be obligated to grant such an extension.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Consultant, within ten (10) days of the commencement of such delay, notifies the City Manager in writing of the causes of the delay. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this section.

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence on the effective date, November 26, 2019, and shall continue in full force and effect until the Project is completed, unless extended by mutual written agreement of the Parties

4. COORDINATION OF WORK

4.1 Representative of Consultant. The following principal of Consultant is hereby designated as being the principal and representative of Consultant authorized to act in its behalf with respect to the Services to be performed under this Agreement and make all decisions in connection therewith: William R. Kelly, President/CEO. It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the Work or Services performed hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.

4.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Manager of City, and is subject to change by the City Manager. It shall be the Consultant's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services, and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer

shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 Prohibition Against Subcontracting or Assignments. The experience, knowledge, capability, expertise, and reputation of Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, voluntarily or by operation of law, without the prior written consent of City. Consultant shall not contract with any other entity to perform the Services required without prior written consent of City. If Consultant is permitted to subcontract any part of this Agreement by City, Consultant shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City. All persons engaged in the Work will be considered employees of Consultant. City will deal directly with and will make all payments to Consultant.

4.4 Independent Contractor.

A. The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Consultant a City employee. During the performance of this Agreement, Consultant and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Consultant or any of its officers, employees, or agents, except as set forth in this Agreement. Consultant, its officers, employees or agents, shall not maintain a permanent office or fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Consultant's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Consultant shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Consultant in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. Consultant shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

C. No City benefits shall be available to Consultant, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Consultant as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for the performance of any Work or Services under this Agreement. City shall not be liable for compensation or indemnification to

Consultant, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 2 and Subsection 1.8 herein, of any nature relating to salary, taxes, or benefits of Consultant's officers, employees, representatives, agents, or subconsultants or subcontractors, Consultant shall defend, indemnify, and hold harmless City from and against all such financial obligations.

4.5 PERS Eligibility Indemnification.

A. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employee Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the City.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

5. INSURANCE

5.1 Compliance with Insurance Requirements. Consultant shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to City, all insurance required under this section. Consultant shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to City that it has secured all insurance required under this section. If Consultant's existing insurance policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

5.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, Consultant shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

A. **Commercial General Liability Insurance.** Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance written on an occurrence basis with limits of at least one million dollars (\$1,000,000.00) per occurrence, two million dollars (\$2,000,000.00) in the general aggregate, and one million dollars (\$1,000,000.00) for products and completed operations.

Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

B. Automobile Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury and property damage. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles.

C. Workers' Compensation Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Consultant agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the City, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

5.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Lines Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund. In the event the City determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

5.4 Insurance Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies:

A. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to provide the following:

1. Additional Insured: The City, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

2. Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to “ongoing operations”, (2) exclude “contractual liability”, (3) restrict coverage to “sole” liability of Consultant, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the City. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Consultant’s failure to pay the insurance premium, the notice provided to City shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, Consultant shall provide endorsements for ongoing operations and completed operations to effectuate this requirement.

5.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the City in advance and shall protect the City, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

5.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the City, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

5.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the City, its officials, officers, employees, agents and volunteers, or shall specifically allow Consultant or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Consultant hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Consultant hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

5.8 Evidence of Coverage. Concurrently with the execution of the Agreement, Consultant shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Required insurance policies shall not be

in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. Consultant shall promptly furnish, at City's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents City requires to verify coverage.

5.9 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

5.10 Enforcement of Agreement (Non-Estoppel). Consultant acknowledges and agrees that actual or alleged failure on the part of the City to inform Consultant of any non-compliance with any of the insurance requirements set forth in this section imposes no additional obligation on the City nor does it waive any rights hereunder.

5.11 Insurance for Subconsultants. Consultant shall either: (1) include all subconsultants or subcontractors engaged in any Work or Services for Consultant relating to this Agreement as additional named insureds under the Consultant's insurance policies; or (2) Consultant shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the City, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by Consultant's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the City, its officials, officers, employees, agents and volunteers, as additional insureds. Consultant shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section.

5.12 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of Consultant pursuant to this Agreement:

A. Consultant shall provide immediate written notice to City if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

B. All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations shall limit the application of such insurance coverage.

C. None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the City and approved in writing.

D. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is Consultant's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. Consultant agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

F. Consultant agrees to provide immediate written notice to City of any claim, demand or loss against Consultant arising out of the Work or Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

6. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City, its officials, officers, employees, agents and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Consultant's employees included), for damage to property, including property owned by City, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to Consultant's performance under this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability hereunder.

7. REPORTS AND RECORDS

7.1 Accounting Records. Consultant shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Consultant shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, subcontractors, and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder.

7.4 Release of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer. All information gained by Consultant in the performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization.

7.5 Audit and Inspection of Records. After receipt of reasonable notice and during the regular business hours of City, Consultant shall provide City, or other agents of City, such access to Consultant's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Consultant's performance under this Agreement. Consultant shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law and Venue. This Agreement shall be construed and interpreted both as to validity and as to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such County, and Consultant covenants and agrees

to submit to the personal jurisdiction of such court in the event of such action.

8.2 Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting Party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

8.3 Termination. City may terminate this Agreement for any reason, with or without cause, upon giving Consultant thirty (30) days written notice. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. In addition, Consultant reserves the right to terminate this Agreement at any time upon sixty (60) days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Consultant may determine.

8.4 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

8.5 Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

8.6 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.7 Attorneys' Fees. In the event any dispute between the Parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses, including but not limited to reasonable attorneys' fees,

expert witness fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

9.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor-in-interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. Consultant represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

9.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Consultant shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10. MISCELLANEOUS PROVISIONS

10.1 Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Notices or other communications shall be addressed as follows:

To City:

City of Laguna Hills
Attention: City Manager
24035 El Toro Road
Laguna Hills, California 92653

Telephone: (949) 707-2600
 Facsimile: (949) 707-2633

To Consultant:

Kelly Associates Management Group, LLC
 Attention: William R. Kelly, President/CEO
 1440 North Harbor Boulevard, Suite 900
 Fullerton, California 92835
 Telephone: (714) 449-8432

10.2 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter hereof. No amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

10.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

10.4 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.5 Third Party Beneficiary. Nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.

10.6 Recitals. The above-referenced Recitals are hereby incorporated into the Agreement as though fully set forth herein and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

10.7 Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

10.8 Labor Code Requirements.

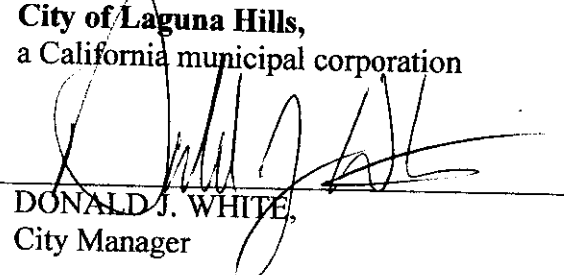
A. Prevailing Wages. Consultant is aware of the requirements of California labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Work or Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Work or Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. It is the intent of the parties to effectuate the requirements of sections 1771, 1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. Consultant shall defend, indemnify, and hold the City, its officials, officers, employees, agents, and volunteers free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

B. DIR Registration. If the Work or Services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations ("DIR"). Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants. This Project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

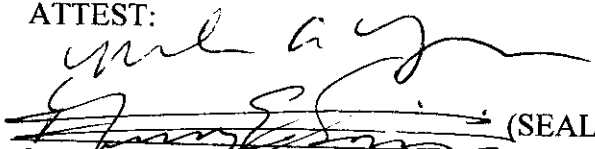
[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

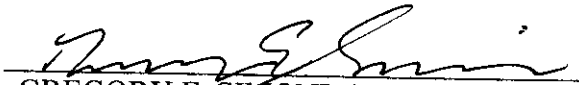
"CITY"
City of Laguna Hills,
 a California municipal corporation


 DONALD J. WHITE,
 City Manager

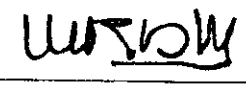
ATTEST:


 (SEAL)
 MELISSA AU-YEUNG,
 Assistant to the City Manager/City Clerk

APPROVED AS TO FORM:


 GREGORY E. SIMONIAN,
 City Attorney

"CONSULTANT"
 Kelly Associates Management Group, LLC,
 a California limited liability corporation

By:  11.17.19
 WILLIAM R. KELLY, President/CEO

Attachment: Attachment b - KAMG Consultant Services Agreement 2019 (2327 : Amendment 2 Kelly and Associates)

EXHIBIT "A"**CONSULTANT'S PROPOSAL/ SCOPE OF WORK****DATED: NOVEMBER 11, 2019**

SCOPE OF SERVICES FOR PROJECT**INCLUDING,****SCHEDULE OF PERFORMANCE****AND****SCHEDULE OF COMPENSATION/ FEES**

Exhibit A



kelly associates
Management Group

November 11, 2019

Don White
City Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Mr. Don White,

Kelly Associates Management Group (KAMG) is pleased to submit this proposal to act as a professional advisor/project facilitator for the new Five Lagunas Development Project. As we understand the assignment, KAMG would act as an agent for the City of Laguna Hills, (reporting to the City Manager), between the Applicant/Developer with their consultants and the City staff with its consultants. This role would be basically defined as the link between all parties to ensure all schedules, assignments, agreements and task are coordinated and completed.

KAMG has significant experience facilitating similar large development/entitlement projects. Briefly these are described as follows:

City of Millbrae, California

Gateway at Millbrae Station

Coordinated a General Plan Amendment, Specific Plan Amendment. Environmental Impact Report, Tract Map, Design Review, Fiscal Impact Analysis, a Parking/Traffic Demand Plan and a Development Agreement. This project is on 11 acres of Bay Area Rapid Transit District (BART) owned property and was proposed for 151,000 square feet of office space, 35,00 square feet of retail space, 320 market-rate residential units, 80 affordable units (low and very low-income levels), and 164 hotel rooms. This coordination included working with BART, San Francisco International Airport (SFO), Caltrans, SamTrans, Caltrain, and adjacent City's.

Serra Station

Coordinated a General Plan Amendment, Specific Plan Amendment. Environmental Impact Report, Design Review, Fiscal Impact Analysis a Parking/Traffic Demand Plan and a Development Agreement for a mixed-use project on 3.5 acres west of the BART station. That development included approximately 270,000 square feet of office space, 24,000 square feet of retail space and 444 residential units.

City of La Habra, California**Rancho La Habra**

Coordinating a General Plan Amendment, Specific Plan Amendment, Environmental Impact Report, Tract Map, Design review and a Development Agreement for a 402 residential dwelling units, including 277 single-family homes and 125 multi-family residences, along with either 20,000 square feet of commercial development (e.g., specialty grocery, restaurant, or general retail uses) or an additional 46 multi-family dwelling units. Also proposed are open space areas that would include public parks and private recreational areas, a community center, small amphitheater, habitat conservation areas, passive recreational uses including trails, wildlife viewing, picnic areas and tot lots on the approximately 151-acre site.

City of Hawaiian Gardens**Hawaiian Gardens Casino**

Facilitated the preparation of an Environmental Impact Report, Design and Zoning amendments a Fiscal Impact Study and a Development Agreement. This project called for the removal of a temporary casino facility of 59,000 sq. Ft. built in 1997 and the construction in 2016 of a new 200,000 sq. ft. facility with a value of \$90 million.

City of Bellflower**CBD Street Renovation**

Assisted the City staff in the preparation of a new circulation/landscape renovation project for the downtown. Included in the assignment was the preparation of schematic street/landscape designs and coordination of several community meetings to solicit input on the concepts. Presented the final designs to the City Council.

Project Team

The KAMG team will be comprised of William R. (Bill) Kelly President/CEO and Christine E. Kelly, Executive Vice President. Resumes are attached.

Compensation for services are as follows;

William R. Kelly - \$295.00/hr.

Christine E. Kelly - \$250.00/hr.

Any additional expenses will be actual costs plus 10%.

We look forward to assisting you and the City of Laguna Hills on this very important project.

Sincerely,



William R. Kelly
President/CEO

Kelly Associates Management Group LLC



Resume of

William R. "Bill" Kelly

President/CEO

Education

- Doctoral Studies in Executive Management, Claremont Graduate University
- Executive Masters of Business Administration, Claremont Graduate University
- Masters of Arts in Management, Claremont Graduate University
- Masters of Public Administration, University of Southern California
- Bachelor of Science - Urban Planning, California State Polytechnic University-Pomona

Qualifications

William R. (Bill) Kelly is President/CEO of Kelly Associates Management Group LLC where he specializes in the areas of organizational management, economic development, redevelopment, and city planning. Mr. Kelly also served as the Chief Operating Officer for Urban Futures, Inc. for four years where he consulted with many local agencies. Prior to that, he was the City Manager of the City of Arcadia and Executive Director of the Redevelopment Agency for 14 years and also held positions of Deputy City Manager, Director of Community Development, Director of Development Services, and Director of Planning and Building for several California municipalities.

Mr. Kelly is an Adjunct Professor at the University of Southern California, Price School of Public Policy and is also a POST certified instructor for statewide Police Team Building.

Project Experience

- President/CEO, *Kelly Associates Management Group LLC*
- Chief Operating Officer, *Urban Futures Inc.*
- City Manager, *City of Arcadia*
- Principal, *GRC Consulting Inc.*
- Deputy City Manager/Community Development Director, *City of Burbank*
- Director of Development Services, *City of Brea*
- Director of Community Development/Public Works, *City of Baldwin Park*
- Director of Planning and Building, *City of San Bruno*
- City Planner, *City of Glendora*
- Vice Chair/Member, *State of California Law Enforcement Telecommunications Commission (CLETS)*
- Chair/Vice Chair/Member, *Los Angeles County Emergency Services Commission*
- Adjunct Professor, *University of Southern California - Price School of Public Policy*
- Adjunct Faculty, *California State University, Long Beach - Graduate School of Public Policy*
- Adjunct Assistant Professor, *California State University, San Francisco - Graduate Program in Environmental Planning*

Kelly Associates Management Group LLC



Resume of

Christine “Chris” Kelly

Executive Vice President

Education

- Masters of Public Administration, California State University, Long Beach
- Certificate in Urban Studies, California State University, Long Beach
- Bachelor of Arts in Anthropology, California State University, Long Beach

Qualifications

Christine (Chris) Kelly is Executive Vice President of Kelly Associates Management Group LLC, where she specializes in the areas of project oversight, permit streamlining, economic development, and city planning. Ms. Kelly recently served as Land Use Services Director for the County of San Bernardino, overseeing Planning, Building and Safety, Code Enforcement, and Mining. Prior to that she was the Community Development Director for the City of Chino Hills, and throughout her career, held previous positions as Director of Development Services, Building and Safety, and Redevelopment for several California Municipalities. Finally, she also worked as a Senior Project Manager for Hole-Ireland, overseeing the Chapman University Specific Plan and building expansion, as well as other agency specific plans.

Ms. Kelly served as an Adjunct Professor, teaching Economic Development in the Masters of Public Administration Program at California State University, Long Beach.

Project Experience

- Executive Vice President, *Kelly Associates Management Group LLC*
- Land Use Services Director, *County of San Bernardino*
- Community Development Director, *City of Chino Hills*
- Senior Project Manager, *Hogle-Ireland, Inc.*
- Director of Community Development/Deputy Executive Director of Redevelopment, *City of Pomona*
- Director of Development Services, *City of Brea*
- Director of Community Development/Deputy Executive Director Redevelopment, *City of Cypress*
- Associate Planner, *City of Cypress*
- Administrative Analyst to the City Manager, *City of Bellflower*
- Adjunct Faculty, California State University, Long Beach – *Graduate School of Public Policy*

AMENDMENT NO. 1
TO
CONSULTING SERVICES AGREEMENT
Kelly Associates Management Group, LLC
(Strategic Planning, Economic Development, and Project Management Consulting Services)

THIS FIRST AMENDMENT to the Consulting Services Agreement with KELLY ASSOCIATES MANAGEMENT GROUP, LLC., (the "Amendment" or "Amendment No. 1") is made and entered into to be effective the 14th day of July 2020, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the "City"), and KELLY ASSOCIATES MANAGEMENT GROUP, LLC., a California limited liability corporation, (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as "Parties."

RECITALS

A. City and Consultant previously entered into that certain consulting services agreement for the provision of strategic planning, economic development, and project management consulting services to assist the City with processing the anticipated new Merlone-Geier redevelopment project at the former Laguna Hills Mall, entitled "The Village at Laguna Hills" (the "Project"), which was made and entered into on November 26, 2020 (the "Agreement") and which may be duly amended, in writing, from time to time by the Parties. City does not have the personnel or technical expertise able to perform the work or services contracted for under the Agreement.

B. Sections 2.3 (Changes in Scope) and 10.2 (Amendment) of the Agreement provide that the Agreement may be amended in writing at any time by mutual consent of the Parties. Due to unforeseen application processing delays, including but not limited to, delays attributable to an evolving project site plan consisting of multiple revised site plan proposals from the applicant, and the need to review the applicant's multiple submittals and resubmittals, the submission of an incomplete project description, the submission of incremental Project details from the applicant as well as incomplete Project details, the Project's overall complexity, the novel COVID-19 Pandemic and the State of Emergency declared by Federal, state, and local governments, including associated stay at home public health orders, as well as the closure of City Hall, the application remains incomplete at this time. These processing delays have resulted in unanticipated additional time, work and expense and now creates the need to increase the maximum contract amount established in Section 2.1 of the Agreement in order to provide for continued uninterrupted project management services to be performed by Consultant.

C. The Parties now desire to enter into this Amendment No. 1 to the Agreement for the purpose of increasing the Maximum Contract Amount set forth in Section 2.1 of the Agreement in order to provide for continued, uninterrupted project management services for the Project, as defined in the Agreement, under the same terms and conditions set forth in the Agreement. The proposed amendment creates a need to now increase the Maximum Contract Amount set forth in Section 2.1 of the Agreement by \$75,000, from \$50,000 to \$125,000.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed, including authorized reimbursements, in accordance with the hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00) (hereinafter referred to as the "Maximum Contract Amount"). The method of compensation shall be as set forth in Exhibit "A". Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

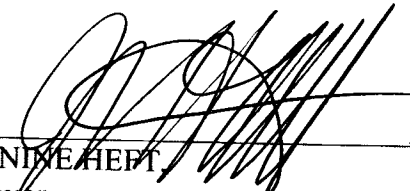
2. Full Force and Effect. This Amendment No. 1 is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.
3. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
4. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

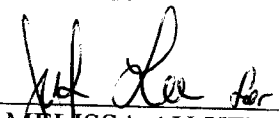
"CITY"

City of Laguna Hills,
a California municipal corporation



JANINE HEFT
Mayor

ATTEST:



MELISSA AU-YEUNG, (SEAL)
Assistant to the City Manager/ City Clerk

APPROVED AS TO FORM:



GREGORY E. SIMONIAN,
City Attorney

"CONSULTANT"

**Kelly Associates Management Group,
LLC**

By:



WILLIAM R. KELLY,
President/CEO



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Acting City Manager/Director of Public Services

ISSUE: Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc.

RECOMMENDATION: That the City Council approve Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc., and authorize the City Manager to execute the Agreement

SUMMARY:

On November 26, 2019, the City entered into a Professional Services Agreement with Kosmont & Associates, Inc., to prepare a net fiscal impact analysis and provide related economic development advisory services (including Development Agreement negotiations services) related to the proposed Village at Laguna Hills Project located at the former Laguna Hills Mall property. Due to delays experienced in processing Merlone-Geier Partners' (MGP) application, as identified in the proposed Amendment No. 2, it is now necessary to increase the maximum contract amount for Kosmont & Associates services to ensure that uninterrupted assistance to the City can be continued. The Professional Services Agreement established an initial \$100,000 maximum contract amount and an increase of \$50,000 to this amount was approved in Amendment No. 1 by the City Council on September 22, 2020. To continue processing of the Project, it is now necessary to approve Amendment No. 2 to the Professional Services Agreement increasing the maximum contract amount by an additional \$50,000. It should be noted that the entire cost of this contract is paid for by MGP as are all costs associated with processing the Project. The proposed Amendment No. 2 to the Professional Services Agreement, Attachment a, must be approved by the City Council in order to increase

Amendment No. 2 to PSA with Kosmont & Associates, Inc.

February 9, 2021

Page 2

Kosmont & Associates, Inc., maximum contract amount. A copy of the current Professional Services Agreement and Amendment No. 1 between the City and Kosmont & Associates, Inc., are also provided for informational purposes as Attachment b and Attachment c, respectively.

BACKGROUND:

On November 26, 2019, the City entered into a Professional Services Agreement with Kosmont & Associates, Inc., to prepare a net fiscal impact analysis and provide related economic development advisory services (including Development Agreement negotiations services) related to the proposed Village at Laguna Hills Project, located at the former Laguna Hills Mall property, as submitted by Merlone Geier Partners (MGP). The Professional Services Agreement established an initial \$100,000 maximum contract amount and an increase of \$50,000 was added by Amendment No. 1 as approved by the City Council on September 22, 2020.

Due to unforeseen Project application processing delays, including but not limited to, delays attributable to an evolving project site plan consisting of multiple revised site plan proposals from the applicant, and the need to review the applicant's multiple submittals and resubmittals, the submission of an incomplete project description, the submission of incremental Project details from the applicant as well as incomplete Project details, the Project's overall complexity, the novel COVID-19 Pandemic and the State of Emergency declared by Federal, state, and local governments, including associated stay at home public health orders, as well as the closure of City Hall, the application has only recently been deemed complete. These processing delays have resulted in unanticipated additional time, work and expense and additional anticipated work now creates the need for additional consulting services increasing the maximum contract amount in order to provide for continued, uninterrupted real estate, financial advisory, economic development, and development agreement negotiation services to be performed by Kosmont & Associates, Inc., for the Project. The proposed Amendment No. 2 to the Professional Services Agreement, Attachment a, must be approved by the City Council in order to increase Kosmont & Associates, Inc., maximum contract amount.

A copy of the current Professional Services Agreement and Amendment No. 1 between the City and Kosmont & Associates, Inc., are also provided for informational purposes as Attachment b and Attachment c, respectively.

Amendment No. 2 to PSA with Kosmont & Associates, Inc.

February 9, 2021

Page 3

FISCAL IMPACT:

With the proposed Amendment No. 2 to the Professional Services Agreement with Kosmont & Associates, Inc., the maximum contract amount will be \$200,000. Funding of this Agreement is fully provided by MGP.

ATTACHMENTS:

- Attachment a - Amendment No. 2 to Kosmont Associates Professional Services Agreement
- Attachment b - Kosmont Associates Professional Services Agreement 2019
- Attachment c - Amendment No. 1 to Kosmont Associates Professional Services Agreement

AMENDMENT NO. 2
TO
PROFESSIONAL SERVICES AGREEMENT
Kosmont & Associates, Inc.

(Real Estate, Financial Advisory, and Economic Development Services)

THIS SECOND AMENDMENT to the Professional Services Agreement with KOSMONT & ASSOCIATES, INC., (the “Amendment” or "Amendment No. 2") is made and entered into to be effective the 9th day of February 2021, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the “City”), and KOSMONT & ASSOCIATES, INC., a California corporation, (hereinafter referred to as “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as “Parties.”

RECITALS

A. City and Consultant previously entered into that certain professional services agreement for the provision of specialized real estate, financial advisory, and economic development services in order to provide the City with a Net Fiscal Impact Analysis and development agreement negotiation services in connection with the proposed new Merlone Geier Partners (MGP) redevelopment project located at the former Laguna Hills Mall, entitled "The Village at Laguna Hills," as well as to provide the City with other as-needed real estate, financial advisory, and economic development support services that may be required on an on-call basis (the “Project”), which agreement was made and entered into on November 26, 2020 (the “Agreement”) and which may be duly amended, in writing, from time to time by the Parties. City does not have the personnel or technical expertise able to perform the professional services contracted for under the Agreement.

B. Sections 2.3 (Changes in Scope) and 10.3 (Amendment) of the Agreement provide that the Agreement may be amended in writing at any time by mutual consent of the Parties. More specifically, Sections 1.8 (Additional Services) and 2.3 (Changes in Scope) of the Agreement provide that the City shall have the right at any time during the term of the Agreement to order extra work or to make changes by adding to such Work and that at any time during the term of the Agreement the Parties may enter into a written amendment for the purpose of changing and/or providing for additional services to the Scope of Services set forth in Section 1.1 of the Agreement, including any additional consultant fees.

C. Due to unforeseen application processing delays, including but not limited to, delays attributable to an evolving project site plan consisting of multiple revised site plan proposals from the applicant, and the need to review the applicant’s multiple submittals and resubmittals, the submission of an incomplete project description, the submission of incremental Project details from the applicant as well as incomplete Project details, the Project's overall complexity, the novel COVID-19 Pandemic and the State of Emergency declared by Federal, state, and local governments, including associated stay at home public health orders, as well as the closure of City Hall, the application has only recently been deemed complete. These processing delays have resulted in unanticipated additional time, work and expense and now creates the need for additional consulting services and to increase the maximum

contract amount established in Section 2.1 of the Agreement in order to provide for continued, uninterrupted real estate, financial advisory, economic development, and development agreement negotiation services to be performed by Consultant for the Project.

D. Consult has submitted to City for consideration and approval a written proposal, entitled "Continued Advisory Services", dated January 29, 2021, to provide such additional consulting services as an extension of the Scope of Services set forth in Section 1.1 of the Agreement, which is attached hereto as Attachment "1".

E. The Parties now desire to enter into this Amendment No. 2 to the Agreement for the purpose of i) amending the Proposal/Scope of Work set forth in Section 1.1 of the Agreement in order to provide for additional consultant services, which additional work and services were not contemplated by the Parties or included in the original Proposal/Scope of Work set forth in Exhibit "A" to the Agreement, and (ii) amending the Maximum Contract Amount set forth in Section 2.1 of the Agreement in order to provide for the additional work and services authorized by this Amendment No. 2 under the same terms and conditions and at the same professional hourly rates and charges, which additional work and services creates the need to increase the Maximum Contract Amount by \$50,000, from \$150,000 to \$200,000.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 1.1, entitled "Scope of Services," of the Agreement: Section 1.1 of the Agreement is hereby amended as follows to provide for additional consulting services:

The Scope of Services and Work set forth in Section 1.1 of the Agreement is hereby amended to also include the additional consulting services and work set forth in Consultant's proposal entitled, "Continued Advisory Services," dated January 29, 2021, a copy of which is attached hereto as Attachment "1" to this Amendment No. 1 and is incorporated herein by reference and is hereby made a part of Exhibit "A" to the Agreement.

2. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

"2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the professional services performed, including authorized reimbursements, on a time and materials basis in accordance with the professional hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Two Hundred Thousand Dollars (\$200,000.00) (hereinafter referred to as the "Maximum Contract Amount"). Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The

maximum amount of City's payment obligation under this Agreement is the amount specified in this section."

3. Full Force and Effect. This Amendment No. 2 is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.
4. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
5. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

“CITY”
City of Laguna Hills,
 a California municipal corporation

 KENNETH H. ROSENFELD
 Acting City Manager

ATTEST:

 (SEAL)
 JENNIFER LEE,
 Deputy City Clerk

APPROVED AS TO FORM:

 GREGORY E. SIMONIAN,
 City Attorney

“CONSULTANT”
Kosmont & Associates, Inc., a California
 corporation

By: _____
 KEN HIRA, President

ATTACHMENT "1"

CONSULTANT'S PROPOSAL
FOR
CONTINUED ADVISORY SERVICES

DATED: JANUARY 29, 2021

ADDITIONAL SCOPE OF WORK AND SERVICES



January 29, 2021

Mr. Kenneth H. Rosenfield, P.E.
Acting City Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Re: Continued Advisory Services

Dear Mr. Rosenfield:

Kosmont Companies ("Kosmont" or "Consultant"), Economic Development and Real Estate advisor to City of Laguna Hills ("City" or "Client"), was originally retained in November 2019 for the preparation of a single phase static Net Fiscal Impact Analysis ("Analysis") and assistance with preliminary Development Agreement ("DA") negotiations in connection with the proposed redevelopment of the former Laguna Hills Mall now known as the proposed Village at Laguna Hills ("Project") by Merlone Geier Partners ("MGP" or "Developer"). Kosmont was further retained for Continued Advisory Services in September 2020 to finalize the Analysis on a phased basis and continue DA negotiations.

The proposed Project, which includes a blend of residential, office, retail, hotel and a village park, is complex, multi-faceted, and as proposed will be phased over several years as a function of market demand and economic conditions, should the Project be approved.

Kosmont has worked closely with City staff/ Department Heads, planning consultants and Developer on a series of assumptions and phasing scenarios for the Analysis (beyond original scope), and negotiated with MGP on the draft DA. The requested Project entitlements were anticipated to be scheduled for a joint Public Hearing of the City Council/Planning Agency in the 4th quarter of 2020 or 1st quarter of 2021. However, precise timeframes are difficult to predict and achieve due to the ongoing COVID-19 pandemic and Project complexities. At this point, Project entitlements are anticipated to be scheduled for a Public Hearing in the 1st or 2nd quarter of 2021. Developer's Application was only recently deemed complete by City.

To that end, the City needs to continue working with Kosmont to finalize the DA, attend several final Project meetings including the scheduling of a joint City Council/Planning Agency Public Hearing in order to convey key Project milestones and fiscal findings.

I. SCOPE OF SERVICES

Task 1: Final Development Agreement Negotiations

Kosmont will assist the City, its planning consultants, and legal counsel with final DA negotiations and public-private transaction structuring including assistance with review

and negotiation of proposed business terms and deal points such as guaranteed fees, DA termination provisions, consistency of DA with Conditions of Approvals, etc.

Task 2: Project / Fiscal Analysis / Development Agreement Overview

Kosmont will develop and utilize a Public Private Project Overview presentation that summarizes high level salient information about the proposed Project, the Analysis completed in Task 1, and the DA milestones / terms finalized in Task 2, for a final staff-level overview and meet with the City's new Acting/Interim City Manager regarding same.

Task 3: Public Hearing

Consultant is available to assist with the preparation of additional presentation materials and participate in summary presentations of the Public Private Project Overview and other key Project milestones and fiscal findings at up to two (2) joint City Council / Planning Agency Public Hearings. Kosmont can provide market perspective and post COVID context for the proposed Project. Additional requested meetings beyond those outlined herein will be billed at Kosmont's professional services (hourly) fees, as set forth in the Professional Services Agreement.

II. SCHEDULE

Estimated February through June 2021.

III. COMPENSATION

Compensation for Tasks 1 through 3 is estimated at \$40,000 to \$50,000 for professional services (hourly) fees. Budget may be increased by City request at any point in time.

Kosmont is appreciative of the opportunity to continue to work with the City on the exciting Project. Thank you.

Sincerely,



Ken K. Hira
President

PROFESSIONAL SERVICES AGREEMENT

Kosmont & Associates, Inc.

(Real Estate, Financial Advisory, and Economic Development Services)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into, to be effective this 26th day of November 2019, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California, (hereinafter referred to as "City") and KOSMONT & ASSOCIATES, INC, a California corporation (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as the "Parties."

RECITALS

A. City has determined that there is a need to retain the professional services of a qualified firm that specializes in providing real estate, financial advisory, and economic development services to cities, counties, and public agencies, in order to provide City with a Net Fiscal Impact Analysis and development agreement negotiation services in connection with the proposed new Merlone Geier Partners (MGP) Redevelopment Project located at the intersection of the I-5 Freeway and El Toro Road within the City, as well to provide the City with other as-needed, real estate, financial advisory, and economic development support services that may be required on an on-call basis (the "Project").

B. Consultant has submitted to City a proposal, dated November 6, 2019, to provide City with professional real estate, financial advisory, and economic development services in order to provide City with a Net Fiscal Impact Analysis and development agreement negotiation services in connection with the proposed new MGP Redevelopment Project, as well as a full range of other as-needed real estate, financial advisory, and economic development support services that may be required on an on-call basis for the Project pursuant to the terms of this Agreement.

C. Consultant represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and expertise to provide these services to City for the Project and has agreed to provide such services as provided herein. City does not have the personnel, training, or specialized technical expertise able to perform the work or services contracted for herein.

D. City desires to retain Consultant to provide such professional services for the Project.

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. SERVICES OF CONSULTANT

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Consultant agrees to provide and perform the professional real estate, financial advisory, and economic development consulting services to City for the Project as set forth in the Proposal/Scope of Work, dated November 6, 2019, which is attached hereto as Exhibit "A" and is incorporated herein by reference (hereinafter referred to as the "Scope of Services," the "Services" or "Work"). As a material inducement to the City entering into this Agreement, Consultant acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Consultant's Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and warrants that it is skilled in the professional discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. Consultant represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Services and Work assigned to them. All Services and Work shall be completed to the reasonable satisfaction of the City.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and, (2) the Consultant's signed, original November 6, 2019 Proposal/Scope of Work submitted to the City ("Consultant's Proposal"), which shall each be referred to collectively hereinafter as the "Contract Documents." The Consultant's Proposal, attached hereto as Exhibit "A," is hereby incorporated by reference and is made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; and, (2nd) the provisions of the Consultant's Proposal (Exhibit "A").

1.3 Compliance with Law. Consultant shall comply at all times during the term of this Agreement with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder, including without limitation all applicable fair labor standards and Cal/OSHA requirements. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If Consultant performs any Work or Services in violation of such laws, rules, and regulations, Consultant shall be solely responsible for all penalties and costs arising therefrom. Consultant

shall defend, indemnify, and hold City, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

1.4 Licenses, Permits, Fees, and Assessments. Prior to performing any Services or Work hereunder Consultant shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for Consultant to perform the Work and Services under this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

1.5 Familiarity with Work. By executing this Agreement, Consultant represents and warrants that it (a) has thoroughly investigated and considered the Scope of Work or Services to be performed, (b) has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed, and (c) fully understands the facilities, difficulties, and restrictions attending performance of the Services under this Agreement. If the Services involve work upon any site, Consultant represents and maintains that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services hereunder. Should the Consultant discover any latent or unknown conditions that will materially affect the performance of the Services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the City.

1.6 Care of Work. Consultant shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by the City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

1.8 Additional Services. City shall have the right at any time during the performance of the Services, without invalidating this Agreement, to order extra work beyond that specified in the Consultant's Proposal/Scope of Work (Exhibit "A") or make changes by altering, adding to, or deducting from such Work. No such extra work may be undertaken unless a written order is

first given by the City to the Consultant, incorporating therein any adjustment in (i) the Maximum Contract Amount, as defined below, and/or (ii) the time to perform this Agreement, which adjustments are subject to the written approval of the Consultant. It is expressly understood by Consultant that the provisions of this section shall not apply to the Work and Services specifically set forth in the Scope of Services or reasonably contemplated therein, regardless of whether the time or materials required to complete any Work or Service identified in the Scope of Services exceeds any time or material amounts or estimates provided therein.

1.9 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other contractors, consultants, or vendors for services similar to the services that are the subject of this Agreement. Consultant further acknowledges that City may have its own employees perform services similar to the services that are the subject of this Agreement.

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed, including authorized reimbursements, on a time and materials basis in accordance with the professional hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of One Hundred Thousand Dollars (\$100,000.00) (hereinafter referred to as the "Maximum Contract Amount"). Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

2.2. Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation/Fees (Exhibit "A"), in any month in which Consultant wishes to receive payment, no later than the tenth (10th) working day of such month, Consultant shall submit to the City, in a form approved by the City's Finance Director, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by Consultant and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. City shall use reasonable efforts to make payments to Consultant within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

2.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by the City, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional professional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not

included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon Schedule of Performance.

3.2 Schedule of Performance. Consultant shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed, or on each task order, if applicable, and shall perform all Services within the time period(s) established in the Schedule of Performance, which is attached hereto as Exhibit "A" and is incorporated herein by reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer; however, the City shall not be obligated to grant such an extension.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Consultant, within ten (10) days of the commencement of such delay, notifies the City Manager in writing of the causes of the delay. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this section.

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect until Project completion, unless extended by mutual written agreement of the Parties.

3.5 Task Orders. Consultant hereby agrees and acknowledges that any and all Services or Work performed pursuant to this Agreement shall be based upon the prior issuance of a written task order by the City. Furthermore, Consultant hereby agrees and acknowledges that execution of this Agreement by the City does not in any way guarantee that a task order will be

issued to Consultant. Moreover, execution of this Agreement by the City shall not entitle Consultant to any form of payment or compensation from the City without City first having issued a task order.

4. **COORDINATION OF WORK**

4.1 Representative of Consultant. The following principal of Consultant is hereby designated as being the principal and representative of Consultant authorized to act in its behalf with respect to the Services to be performed under this Agreement and to make all decisions in connection therewith: **Ken Hira, President.** It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the Work or Services performed hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.

4.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Manager of City, and is subject to change by the City Manager. It shall be the Consultant's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services, and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 Prohibition Against Subcontracting or Assignments. The experience, knowledge, capability, expertise, and reputation of Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, voluntarily or by operation of law, without the prior written consent of City. Consultant shall not contract with any other entity to perform the Services required without prior written consent of City. If Consultant is permitted to subcontract any part of this Agreement by City, Consultant shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City. All persons engaged in the Work will be considered employees of Consultant. City will deal directly with and will make all payments to Consultant. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written consent of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Consultant or any surety of Consultant from any liability hereunder without the express written consent of City.

4.4 Independent Contractor.

A. The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Consultant a City employee. During the performance of this Agreement, Consultant and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Consultant or any of its officers, employees, or agents, except as set forth in this Agreement. Consultant, its officers, employees or agents, shall not maintain a permanent office or fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Consultant's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Consultant shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Consultant in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. Consultant shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

C. No City benefits shall be available to Consultant, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Consultant as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for the performance of any Work or Services under this Agreement. City shall not be liable for compensation or indemnification to Consultant, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 2 and Subsection 1.8 herein, of any nature relating to salary, taxes, or benefits of Consultant's officers, employees, representatives, agents, or subconsultants or subcontractors, Consultant shall defend, indemnify, and hold harmless City from and against all such financial obligations.

4.5 PERS Eligibility Indemnification.

A. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employee Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be

the responsibility of the City.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

5. INSURANCE

5.1 Compliance with Insurance Requirements. Consultant shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to City, all insurance required under this section. Consultant shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to City that it has secured all insurance required under this section. If Consultant's existing insurance policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

5.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, Consultant shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

A. **Commercial General Liability Insurance.** Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance written on an occurrence basis with limits of at least one million dollars (\$1,000,000.00) per occurrence, two million dollars (\$2,000,000.00) in the general aggregate, and one million dollars (\$1,000,000.00) for products and completed operations. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

B. **Automobile Liability Insurance.** Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury and property damage. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles.

C. **Workers' Compensation Insurance.** Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Consultant agrees to waive

and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the City, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

D. Professional Liability (Errors & Omissions) Insurance. Consultant shall obtain and maintain in full force and effect throughout the term of this Agreement, a policy of Professional Liability or Errors and Omissions Insurance appropriate to Consultant's profession with limits of at least two million dollars (\$2,000,000.00). Covered professional services shall specifically include all Work or Services to be performed under the Agreement and delete any exclusions that may potentially affect the Work or Services to be performed under this Agreement.

1. The policy shall be endorsed to provide the following: Contractual Liability Exclusion Deleted: This insurance shall include contractual liability applicable to this Agreement. The policy must "pay on behalf of" the insured and include a provision establishing the insurer's duty to defend.

2. If the policy of insurance is written on a "claims-made" basis, the City may require that the policy be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Work or Services provided hereunder. In the event of termination of the policy during this period, Consultant shall obtain continuing insurance coverage for the prior acts or omissions of Consultant during the course of performing the Work or Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the City.

3. In the event the policy of insurance is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Work or Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Work or Services under the terms of this Agreement.

5.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A:-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Lines Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund. In the event the City determines that the Work or Services to be

performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

5.4 Insurance Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies:

A. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to provide the following:

1. Additional Insured: The City, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

2. Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to "ongoing operations", (2) exclude "contractual liability", (3) restrict coverage to "sole" liability of Consultant, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the City. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Consultant's failure to pay the insurance premium, the notice provided to City shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, Consultant shall provide endorsements for ongoing operations and completed operations to effectuate this requirement.

5.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the City in advance and shall protect the City, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

5.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the City, its officials, officers, employees,

agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

5.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the City, its officials, officers, employees, agents and volunteers, or shall specifically allow Consultant or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Consultant hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Consultant hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

5.8 Evidence of Coverage. Concurrently with the execution of the Agreement, Consultant shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. Consultant shall promptly furnish, at City's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents City requires to verify coverage.

5.9 Intentionally omitted.

5.10 Enforcement of Agreement (Non-Estoppel). Consultant acknowledges and agrees that actual or alleged failure on the part of the City to inform Consultant of any non-compliance with any of the insurance requirements set forth in this section imposes no additional obligation on the City nor does it waive any rights hereunder.

5.11 Insurance for Subconsultants. Consultant shall either: (1) include all subconsultants or subcontractors engaged in any Work or Services for Consultant relating to this Agreement as additional named insureds under the Consultant's insurance policies; or (2) Consultant shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the City, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by Consultant's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the City, its officials, officers, employees, agents and volunteers, as additional insureds. Consultant shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this

Agreement unless and until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section.

5.12 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of Consultant pursuant to this Agreement:

A. Consultant shall provide immediate written notice to City if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

B. All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations shall limit the application of such insurance coverage.

C. None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the City and approved in writing.

D. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is Consultant's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. Consultant agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

F. Consultant agrees to provide immediate written notice to City of any claim, demand or loss against Consultant arising out of the Work or Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

6. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City, its elected and appointed officials, officers, directors, employees, agents, and

volunteers (collectively the “Indemnified Parties”), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively “Claims”), including but not limited to Claims arising from injuries to or death of persons (Consultant’s employees included), for damage to property, including property owned by City, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to the negligent acts or omissions, recklessness, or willful misconduct of Consultant, its agents, employees, or subcontractors. Notwithstanding the foregoing, such obligation to defend, hold harmless, and indemnify the City, its elected and appointed officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims arise out of, pertain to, or are related to the City’s sole negligence, active negligence, or willful misconduct.

7. REPORTS AND RECORDS

7.1 Accounting Records. Consultant shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Consultant shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of the Work and Services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the Work or Services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of such fact, circumstance, technique, or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Consultant may retain copies of such documents for its own use. Consultant shall have an unrestricted right to use the concepts embodied therein. Consultant shall ensure that all of its subconsultants and subcontractors shall provide for assignment to City of any documents or materials prepared by

them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

7.4 Release of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer. All information gained by Consultant in the performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization.

7.5 Audit and Inspection of Records. After receipt of reasonable notice and during the regular business hours of City, Consultant shall provide City, or other agents of City, such access to Consultant's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Consultant's performance under this Agreement. Consultant shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law and Venue. This Agreement shall be construed and interpreted both as to validity and as to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such County, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

8.3 Termination. City may terminate this Agreement for any reason, with or without cause, upon giving Consultant thirty (30) days written notice. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. In addition, Consultant reserves the right to terminate this Agreement at any time upon sixty (60)

days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Consultant may determine.

8.4 Default of Consultant.

A. Consultant's failure to comply with any provision of this Agreement shall constitute a default.

B. If the City Manager, or City Manager's designee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall notify Consultant in writing of such default. Consultant shall have ten (10) days, or such longer period as City may designate, to cure the default by rendering satisfactory performance. In the event Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice of any remedy to which City may be entitled at law, in equity, or under this Agreement. Consultant shall be liable for any and all reasonable costs incurred by City as a result of such default. Compliance with the provisions of this section shall not constitute a waiver of any City right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit City's right to terminate this Agreement without cause pursuant to Section 8.3.

C. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.4(B), take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the Maximum Contract Amount (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated. The withholding or failure to withhold payments to Consultant shall not limit Consultant's liability for completion of the Services as provided herein.

8.5 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

8.6 Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

8.7 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.8 Attorneys' Fees. In the event any dispute between the Parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses, including but not limited to reasonable attorneys' fees, expert witness fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

9. CITY OFFICERS AND EMPLOYEES; NON-DISCRIMINATION

9.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor-in-interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. Consultant represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

9.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Consultant shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10. MISCELLANEOUS PROVISIONS

10.1 Patent and Copyright Infringement.

A. To the fullest extent permitted by law, and in lieu of any other warranty by

City or Consultant against patent or copyright infringement, statutory or otherwise, it is agreed that Consultant shall defend at its expense any claim or suit against City on account of any allegation that any item furnished under this Agreement, or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and Consultant shall pay all costs and damages finally awarded in any such suit or claim, provided that Consultant is promptly notified in writing of the suit or claim and given authority, information and assistance at Consultant's expense for the defense of same, and provided such suit or claim arises out of, pertains to, or is related to the alleged negligence, recklessness or willful misconduct of Consultant. However, Consultant will not indemnify City if the suit or claim results from: (1) City's alteration of a deliverable, such that City's alteration of such deliverable created the infringement upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by Consultant when it is such use in combination which infringes upon an existing U.S. letters patent or copyright.

B. Consultant shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof, Consultant shall not be obligated to indemnify City under any settlement made without Consultant's consent or in the event City fails to cooperate in the defense of any suit or claim, provided, however, that such defense shall be at Consultant's expense. If the use or sale of such item is enjoined as a result of the suit or claim, Consultant, at no expense to City, shall obtain for City the right to use and sell the item, or shall substitute an equivalent item acceptable to City and extend this patent and copyright indemnity thereto.

10.2 Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Notices or other communications shall be addressed as follows:

To City: City of Laguna Hills
Attention: City Manager
24035 El Toro Road
Laguna Hills, California 92653
Telephone: (949) 707-2600
Facsimile: (949) 707-2633

To Consultant: Kosmont Companies
Attention: Ken Hira, President
1601 N. Sepulveda Boulevard, Suite 382
Manhattan Beach, California 90266
Telephone: (424) 297-1070
E-mail: khira@kosmont.com

10.3 Entire Agreement. This Agreement constitutes the entire agreement between the

Parties and supersedes all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter hereof. No amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

10.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

10.5 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.6 Third Party Beneficiary. Nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.

10.7 Recitals. The above-referenced Recitals are hereby incorporated into the Agreement as though fully set forth herein and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

10.8. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

10.9 Labor Code Requirements.

A. **Prevailing Wages.** Consultant is aware of the requirements of California labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Work or Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Work or Services available to interested parties upon request, and shall post copies at the

Consultant's principal place of business and at the project site. It is the intent of the parties to effectuate the requirements of sections 1771, 1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. Consultant shall defend, indemnify, and hold the City, its officials, officers, employees, agents, and volunteers free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

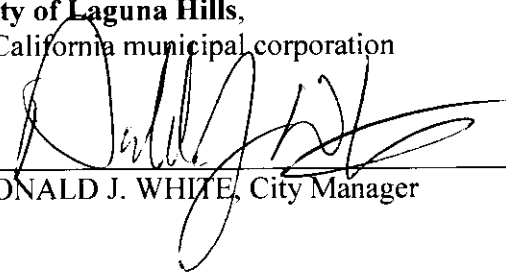
B. DIR Registration. If the Work or Services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations ("DIR"). Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants. This Project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

10.10 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

"CITY"
City of Laguna Hills,
 a California municipal corporation



 DONALD J. WHITE, City Manager

ATTEST:

 (SEAL)

 MELISSA AU-YEUNG,
 Assistant to the City Manager/ City Clerk

APPROVED AS TO FORM:



 GREGORY E. SIMONIAN,
 City Attorney

"CONSULTANT"
Kosmont & Associates, Inc. dba Kosmont
Companies, a California corporation

By: 

 KEN HIRA, President

EXHIBIT “A”**CONSULTANT’S PROPOSAL/ SCOPE OF WORK****DATED: NOVEMBER 6, 2019**

SCOPE OF SERVICES FOR PROJECT**INCLUDING,****SCHEDULE OF PERFORMANCE****AND****SCHEDULE OF COMPENSATION/ FEES**



EXHIBIT A

I. BACKGROUND AND OBJECTIVE

Kosmont & Associates, Inc. doing business as Kosmont Companies ("Consultant" or "Kosmont") is pleased to present this proposal for real estate advisory services to the City of Laguna Hills ("City" or "Client") for the preparation of a Net Fiscal Impact Analysis and development agreement negotiations in connection with the proposed Merlone Geier Partners former Laguna Hills Mall redevelopment project ("Project") located at the intersection of the I-5 Freeway and El Toro Road within the City ("Site").

The Site is currently undergoing redevelopment by development firm Merlone Geier Partners ("MGP" or "Developer") to create a lifestyle and urban town center that envisions an attractive dining, shopping, entertainment, living and working environment. To that end, the City has expressed interest to continue working with Kosmont to provide related real estate advisory services, including a net fiscal impact analysis ("Analysis") and initial development agreement negotiations, as it relates to the Project. Therefore, Kosmont proposes the following scope of services accordingly.

II. SCOPE OF SERVICES

Task 1: Net Fiscal Impact Analysis & Economic Benefit Analysis

Based on a revised project description including retail, residential, office and hotel, provided by the Client/Developer for the Project, Kosmont will provide the following:

Task 1a: Analysis of Primary Fiscal Revenues

Consultant will estimate the primary fiscal revenues to be generated by the Project upon full build-out and stabilization, including property tax (secured and unsecured), property tax in-lieu of vehicle license fees ("VLF"), sales and use tax, and/or other revenues, as deemed relevant and applicable by Consultant. Kosmont will also coordinate with the City on an initial analysis of the Development Impact Fees associated with the proposed Project.

Task 1b: Analysis of Primary Fiscal Expenditures

Consultant will estimate primary fiscal expenditures that may result from the Project upon full build-out and stabilization, including personnel, operations, and/or other costs related to public works, public safety, community services, community development, administration, and/or other municipal programs, as deemed relevant and applicable by Consultant. Consultant will evaluate fiscal revenues net of fiscal expenditures, known as the net fiscal impact.

Task 1c: Estimation of Construction-Related Economic Benefits

Based on the estimated construction budget for the Project (to be provided by Client/Developer), Consultant will apply an IMPLAN-based analysis to estimate the employment (job creation), labor income (wages), and economic output (value of goods and services produced) benefits to be derived from construction of the Project. Direct, indirect, and induced economic benefits will be evaluated.



Task 1d: Estimation of Economic Benefits from Ongoing Operation

Based on estimated current industry-standard per-square-foot employment densities (and/or Client estimates), Consultant will estimate the permanent on-site employment and related labor income and economic output benefits as estimated by IMPLAN to be generated from ongoing operation of the Project after build-out and stabilization. Direct, indirect, and induced economic benefits will be evaluated.

Task 1e: Preparation of Analysis Summary Report

At the conclusion of the Analysis, Consultant will prepare an Analysis Summary Report ("Summary Report") describing the data sources, assumptions and methodologies utilized and results obtained from the Analysis. Client will have an opportunity to review and provide one round of comments on the Summary Report, and Consultant will incorporate mutually agreed upon comments into a final version of the Summary Report.

Note: Kosmont is available to analyze net fiscal impact of alternative scenarios as needed for the proposed Project as directed by Client, scope and budget for which will be outlined at the appropriate time in a follow-on scope to be approved by Client in advance.

(Optional) Presentation and Meeting Assistance

Consultant is available to assist with preparation of additional presentation materials and participation in summary presentations of the Analysis, including at City Council meetings, public / community hearings, and/or other requested meetings to be billed at the professional services (hourly) fees as shown in Section IV.

Task 2: Preliminary Transaction/Development Agreement Negotiation Assistance

Kosmont will assist the City and its legal counsel with initial Development Agreement ("DA") negotiations and public-private transaction structuring including assistance with review and negotiation of business terms such as length of DA, milestones, Developer responsibilities (e.g. performance measures), City and community benefits, remedies, etc.

Note: Complete DA negotiations is difficult to predict but Kosmont will be available to assist in further DA negotiations and project shaping as directed by Client, time and budget for which will be outlined at the appropriate time in a follow-on scope to be approved by Client in advance.

Task 3: As Needed Real Estate Advisory Services

Kosmont will assist the City on as needed and as directed basis for real estate advisory services not identified in Tasks 1 and 2.

III. WORK SCHEDULE

Consultant is prepared to commence work upon receipt of executed Agreement.



IV. SCHEDULE OF FEES

Kosmont Companies 2019-2020 Public Agency Fee Schedule

Professional Services

Chairman & CEO	\$375.00/hour
President	\$345.00/hour
Senior Vice President/Senior Advisor	\$305.00/hour
Vice President	\$210.00/hour
Senior Project Analyst	\$195.00/hour
Project Analyst/Project Research	\$165.00/hour
Assistant Project Analyst/Assistant Project Manager	\$125.00/hour
GIS Mapping/Graphics Service	\$ 95.00/hour
Clerical Support	\$ 60.00/hour

• Additional Expenses

In addition to professional services (labor fees):

- 1) An **administrative fee** for in-house copy, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) If Kosmont retains **Third Party Vendor(s)** for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
- 4) Consultant's **attendance or participation at any public meeting** requested by Client will be billed at the professional services (hourly) fees as shown on this Attachment A.

• Charges for Court/Deposition/Expert Witness-Related Appearances

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until December 31, 2020.

AMENDMENT NO. 1
TO
PROFESSIONAL SERVICES AGREEMENT
Kosmont & Associates, Inc.
(Real Estate, Financial Advisory, and Economic Development Services)

THIS FIRST AMENDMENT to the Professional Services Agreement with KOSMONT & ASSOCIATES, INC., (the "Amendment" or "Amendment No. 1") is made and entered into to be effective the 22nd day of September 2020, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the "City"), and KOSMONT & ASSOCIATES, INC., a California corporation, (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as "Parties."

RECITALS

A. City and Consultant previously entered into that certain professional services agreement for the provision of specialized real estate, financial advisory, and economic development services in order to provide the City with a Net Fiscal Impact Analysis and development agreement negotiation services in connection with the proposed new Merlone Geier Partners (MGP) redevelopment project located at the former Laguna Hills Mall, entitled "The Village at Laguna Hills," as well as to provide the City with other as-needed real estate, financial advisory, and economic development support services that may be required on an on-call basis (the "Project"), which agreement was made and entered into on November 26, 2020 (the "Agreement") and which may be duly amended, in writing, from time to time by the Parties. City does not have the personnel or technical expertise able to perform the professional services contracted for under the Agreement.

B. Sections 2.3 (Changes in Scope) and 10.3 (Amendment) of the Agreement provide that the Agreement may be amended in writing at any time by mutual consent of the Parties. More specifically, Sections 1.8 (Additional Services) and 2.3 (Changes in Scope) of the Agreement provide that the City shall have the right at any time during the term of the Agreement to order extra work or to make changes by adding to such Work and that at any time during the term of the Agreement the Parties may enter into a written amendment for the purpose of changing and/or providing for additional services to the Scope of Services set forth in Section 1.1 of the Agreement, including any additional consultant fees.

C. Due to unforeseen application processing delays, including but not limited to, delays attributable to an evolving project site plan consisting of multiple revised site plan proposals from the applicant, and the need to review the applicant's multiple submittals and resubmittals, the submission of an incomplete project description, the submission of incremental Project details from the applicant as well as incomplete Project details, the Project's overall complexity, the novel COVID-19 Pandemic and the State of Emergency declared by Federal, state, and local governments, including associated stay at home public health orders, as well as the closure of City Hall, the application has remained incomplete. These processing delays have resulted in unanticipated additional time, work and expense and now creates the need for additional consulting services and to

increase the maximum contract amount established in Section 2.1 of the Agreement in order to provide for continued, uninterrupted real estate, financial advisory, economic development, and development agreement negotiation services to be performed by Consultant for the Project.

D. Consult has submitted to City for consideration and approval a written proposal, entitled "Continued Advisory Services", dated September 17, 2020, to provide such additional consulting services as an extension of the Scope of Services set forth in Section 1.1 of the Agreement, which is attached hereto as Attachment "1".

E. The Parties now desire to enter into this Amendment No. 1 to the Agreement for the purpose of i) amending the Proposal/Scope of Work set forth in Section 1.1 of the Agreement in order to provide for additional consultant services, which additional work and services were not contemplated by the Parties or included in the original Proposal/Scope of Work set forth in Exhibit "A" to the Agreement, and (ii) amending the Maximum Contract Amount set forth in Section 2.1 of the Agreement in order to provide for the additional work and services authorized by this Amendment No. 1 under the same terms and conditions and at the same professional hourly rates and charges, which additional work and services creates the need to increase the Maximum Contract Amount by \$50,000, from \$100,000 to \$150,000.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 1.1, entitled "Scope of Services," of the Agreement: Section 1.1 of the Agreement is hereby amended as follows to provide for additional consulting services:

The Scope of Services and Work set forth in Section 1.1 of the Agreement is hereby amended to also include the additional consulting services and work set forth in Consultant's proposal entitled, "Continued Advisory Services," dated September 17, 2020, a copy of which is attached hereto as Attachment "1" to this Amendment No. 1 and is incorporated herein by reference and is hereby made a part of Exhibit "A" to the Agreement.

2. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

"2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the professional services performed, including authorized reimbursements, on a time and materials basis in accordance with the professional hourly rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of One Hundred Fifty Thousand Dollars (\$150,000.00) (hereinafter referred to as the "Maximum Contract Amount"). Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The

maximum amount of City's payment obligation under this Agreement is the amount specified in this section."

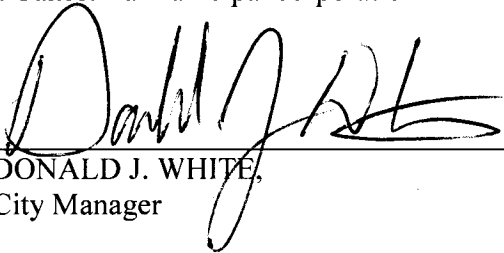
3. Full Force and Effect. This Amendment No. 1 is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.
4. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
5. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

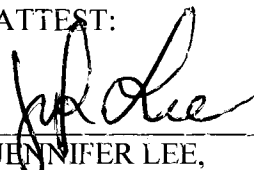
"CITY"

City of Laguna Hills,
a California municipal corporation



DONALD J. WHITE,
City Manager

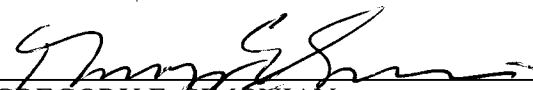
ATTEST:



JENNIFER LEE,
Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:



GREGORY E. SIMONIAN,
City Attorney

"CONSULTANT"

Kosmont & Associates, Inc., a California
corporation

By: 

KEN HIRA, President

ATTACHMENT "1"

CONSULTANT'S PROPOSAL
FOR
CONTINUED ADVISORY SERVICES

DATED: SEPTEMBER 17, 2020

ADDITIONAL SCOPE OF WORK AND SERVICES



September 17, 2020

Mr. Donald J. White
City Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Re: Continued Advisory Services

Dear Mr. White:

Kosmont Companies ("Kosmont" or "Consultant"), Economic Development and Real Estate advisor to City of Laguna Hills ("City" or "Client"), was retained in November 2019 for the preparation of a single phase static Net Fiscal Impact Analysis ("Analysis") and assistance with preliminary Development Agreement ("DA") negotiations in connection with the proposed redevelopment of the former Laguna Hills Mall now known as Village at Laguna Hills ("Project") by Merlone Geier Partners ("MGP" or "Developer").

The proposed Project, which includes a blend of residential, office, retail, hotel and a village park, is complex and will be phased over several years as a function of market demand and economic conditions.

Kosmont has worked closely with City staff / Department Heads and Developer on a series of assumptions and phasing scenarios for the Analysis (beyond original scope) and diligently leading the preliminary DA negotiations. The Project was anticipated to receive entitlements in the 2nd quarter of 2020; however, the unexpected impacts of the COVID-19 pandemic has extended the timeframes. Additional analysis and negotiations were needed to evaluate potential changes to the blend of land uses and development phasing that Developer was considering, to address shifting economic conditions. Substantial progress has been made, with a nearly finalized Analysis and Development Agreement negotiations progressing toward an anticipated City Council hearing in the 4th quarter 2020 or possibly 1st quarter 2021.

To that end, the City needs to continue working with Kosmont to finalize the Analysis and DA negotiations. City needs Kosmont to attend several meetings including the City Council public entitlement hearing in order to convey key Project milestones and fiscal findings (beyond original scope).

I. SCOPE OF SERVICES

Task 1: Final Fiscal Impact Analysis

Based on the finalized Project description (including retail, residential, office and hotel) and other Project assumptions provided by the Client / Developer, as well as the original fiscal impact analysis conducted by Consultant, Kosmont will provide a final Analysis that includes: primary fiscal revenues, primary fiscal expenditures based on both variable and fixed ratios as a result of the Project, estimation of construction-related economic benefits,

estimation of economic benefits from ongoing operation, and preparation of Analysis summary report to be used at meetings.

Task 1 deliverable will be prepared in Summary Report document format.

Task 2: Final Development Agreement Negotiations

Kosmont will assist the City and its legal counsel with final DA negotiations and public-private transaction structuring including assistance with review and negotiation of business terms such as certain milestones, Developer responsibilities (e.g. performance measures), City and community benefits, remedies, etc. As part of DA negotiations, Kosmont will review MGP financial wherewithal on a confidential basis.

Task 3: Project / Fiscal Analysis / Development Agreement Overview

Kosmont will develop a Public Private Project Overview presentation that summarizes high level salient information about the Project, the Analysis completed in Task 1, and the DA milestones / terms finalized in Task 2.

Task 3 deliverable will be prepared in PowerPoint format.

Task 4: Public Hearing

Consultant is available to assist with the preparation of additional presentation materials and participate in summary presentations of the Public Private Project Overview and other key Project milestones and fiscal findings at one (1) City Council / public hearing. Kosmont can provide market perspective and post COVID context for the Project. Additional requested meetings beyond those outlined herein will be billed at Kosmont's professional services (hourly) fees.

II. SCHEDULE

September 2020 through February 2021.

III. COMPENSATION

Compensation for Tasks 1 through 4 is \$50,000 for professional services (hourly) fees. Budget may be increased by City request at any point in time.

Kosmont is appreciative of the opportunity to continue to work with the City on the exciting Project. Thank you.

Sincerely,



Ken K. Hira
President



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Mayor and Council Members
FROM: David Reynolds
Deputy City Manager
ISSUE: Citywide Photo Contest Selections

RECOMMENDATION: That the City Council receive and file this report.

SUMMARY:

At the September 8th, 2020, City Council meeting, the City Council approved a photo contest work effort as a part of our website re-design project and assigned the Ad Hoc Committee on Community Engagement and Enrichment (Ad Hoc Committee) to serve as the judges of the photo contest. The website re-design project requires the City to supply CivicPlus, the City's website support vendor, with approximately twenty (20) new photos for use with the re-design efforts, and the photo contest was used to generate this content. The contest was initiated on October 12, 2020, was conducted on the City's Facebook page, and advertised across all social media platforms and the City's website. The City received forty-three (43) photo submissions by the deadline of November 30, 2020. The Ad Hoc Committee selected the winners and the honorable mention photographs (see attachment). These photos will be used in the website re-design project. Awards will be provided to individuals who submitted the 1st, 2nd, and 3rd place photos (\$100, \$50, and \$25 Visa gift cards respectively). Photos selected under "Honorable Mention" will be used on the City's website, but will not be awarded a prize.

Photo Contest
February 9, 2021
Page 2

FISCAL IMPACT:

Visa gift card prizes, in the amounts of \$100, \$50, and \$25 will be awarded to the 1st, 2nd, and 3rd place photos respectively. The website upgrade project is included in our website support contract with Civic Plus at no additional charge.

ATTACHMENTS:

- Website Photo Contest Results

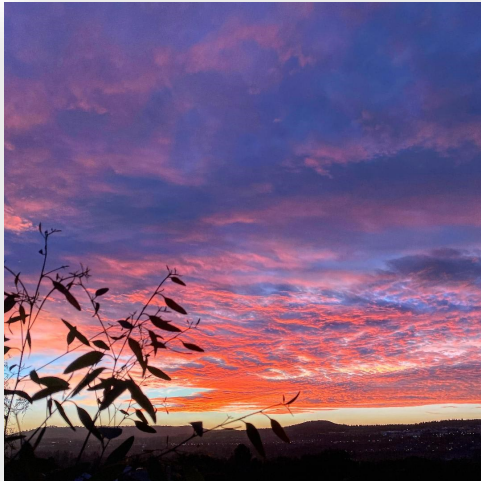
Website Photo Contest Results

Winners



First Place

Caption: "Summer sun over Laguna Hills with native wild mustard in bloom."



Second Place

Caption: "Winter sunset over Laguna Hills"



Third Place

Caption: "Laguna Hills Community Center is a gem."

Honorable Mention



"Pepper trees adjoining walking trail on Oso Parkway"



"A moment from the 'Hail our Heroes' event at Laguna Hills High School."



"Two riders on beautiful palominos wave from their lofty trail ride in the hills."



"Relaxed winter days in Laguna Hills include views of snowy Saddleback Mountain."



"2013, Laguna Hills, Pumpkin City, Tess is super excited!"

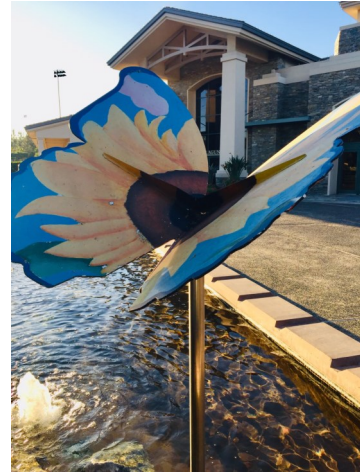


"Beautiful art butterflies at the Community Center."

Honorable Mention



"I took this photo on a foggy night at about 2am on Alicia Parkway"



"Artistic butterflies flit about the patio and water feature of the Laguna Hills Community Center."



"Trail bordering La Paz near Moulton."



"Scenic Laguna Hills roads backdropped by Saddleback Mountain."



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: Chair and Agency Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for January 26, 2021, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the January 26, 2021, Regular Meeting.

ATTACHMENTS:

- 210126 PA Minutes

4. PLANNING AGENCY

Mayor Pezold recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:10 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Erica Pezold	Chair	Present	
Don Sedgwick	Vice Chair	Present	
Janine Heft	Agency Member	Present	
Bill Hunt	Agency Member	Present	
Dave Wheeler	Agency Member	Present	

4.2. PUBLIC COMMENTS

There were no Planning Agency public comments on non-agendized items.

4.3. APPROVAL OF MINUTES**4.3.1 Approval of Minutes for January 12, 2021, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the January 12, 2021, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Vice Chair
SECONDER:	Dave Wheeler, Agency Member
AYES:	Erica Pezold, Chair; Don Sedgwick, Vice Chair; Janine Heft, Agency Member; Bill Hunt, Agency Member; Dave Wheeler, Agency Member

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency administrative reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency public hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Pezold reconvened the City Council Meeting at 7:11 p.m. All Council Members were present in chamber.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: President and Directors
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Election of Public Improvement Corporation Officers

RECOMMENDATION: That the Board of Directors adopt a Resolution entitled: "A Resolution of the Laguna Hills Public Improvement Corporation, Laguna Hills, California, Electing Officers for 2021."

SUMMARY:

The Laguna Hills Public Improvement Corporation (PIC) is a non-profit, public benefit corporation for the purpose of assisting the City in its issuance of Certificates of Participation related to the financing of the building of the Laguna Hills Community Center and Sports Complex and the Civic Center. Per the bylaws, the PIC is required to hold an annual meeting and the City Council sits as the Board of Directors. At this meeting, the Board will elect officers for 2021, and approve the minutes of the previous meeting of February 11, 2020. Acting Vice President Rosenfield will call the meeting to order. After the roll call he will entertain a motion to adopt the Resolution electing the Officers for 2021. President Pezold will then take the gavel and chair the remainder of the PIC meeting.

BACKGROUND:

In September 1998, the City Council, acting as the Board of Directors for the Laguna Hills PIC, took several actions including the adoption of bylaws, election of officers, and adoption of a Resolution appointing the time and place of meetings. The PIC is a non-profit, public benefit corporation whose primary purpose is to assist the City in issuing Certificates of Participation. In 2010, the PIC was involved in the City's refinancing

Election of Public Improvement Corporation Officers

February 9, 2021

Page 2

project and the subsequent lease payments (debt service) related thereto.

Pursuant to the bylaws, the Annual Meeting is to be held in February each year, and the Board of Directors is to elect officers at the Annual Meeting. A Resolution has been prepared that will elect the Mayor as President, the Acting City Manager as Vice President, the Finance Director as Treasurer, and the Deputy City Manager/City Clerk as Secretary.

ATTACHMENTS:

- PIC Resolution

RESOLUTION NO. 2021-1

A RESOLUTION OF THE LAGUNA HILLS PUBLIC
IMPROVEMENT CORPORATION, LAGUNA HILLS,
CALIFORNIA, ELECTING OFFICERS FOR 2021

RESOLVED, by the Board of Directors of the Laguna Hills Public Improvement Corporation, that the following persons are elected to the offices set forth opposite their names below, as officers of the Corporation, to serve until the election and qualification of their successors, as provided in Article IV, Section 2 of the Bylaws of the Corporation.

Name	Office
Erica Pezold	President
Kenneth H. Rosenfield	Vice President
Janice Reyes	Treasurer
Melissa Au-Yeung	Secretary

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, Secretary of the Laguna Hills Public Improvement Corporation, DO HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a Resolution duly passed and adopted by the Board of Directors of the Laguna Hills Public Improvement Corporation, at a meeting thereof held on the 9th day of February 2021, by the following vote of the Directors thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

MELISSA AU-YEUNG, SECRETARY

Attachment: PIC Resolution (2332 : Election of Public Improvement Corporation Officers)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021
TO: President and Directors
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of the Public Improvement Corporation Minutes for the February 11, 2020, Annual Meeting

RECOMMENDATION: That the Board of Directors approve the minutes of the February 11, 2020, Annual Meeting.

ATTACHMENTS:

- 200211 PIC Minutes

**CITY OF LAGUNA HILLS
PUBLIC IMPROVEMENT CORPORATION**

**ANNUAL MEETING
MINUTES
Tuesday, February 11, 2020**

CALL TO ORDER

The Regular Meeting of the Public Improvement Corporation of the City of Laguna Hills, California, was called to order by Vice President White at 7:20 p.m. in the Laguna Hills City Council Chamber, 24035 El Toro Road, Laguna Hills, California.

BOARD ROLL CALL

Attendee Name	Title	Status	Arrived
Janine Heft	Director	Present	
Erica Pezold	Director	Present	
Dore J. Gilbert, M.D.	Director	Present	
Don Sedgwick	Director	Present	
Dave Wheeler	Director	Present	

PUBLIC COMMENTS

There were no Public Comments.

ELECTION OF PUBLIC IMPROVEMENT CORPORATION OFFICERS

Recommendation: That the Board of Directors adopt Resolution No. 2020-1: "A Resolution of the Laguna Hills Public Improvement Corporation, Laguna Hills, California, Electing Officers for 2020."

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Director
SECONDER:	Dave Wheeler, Director
AYES:	Janine Heft, Director; Erica Pezold, Director; Dore J. Gilbert, M.D., Director; Don Sedgwick, Director; Dave Wheeler, Director

APPROVAL OF MINUTES FOR FEBRUARY 12, 2019, ANNUAL MEETING

Recommendation: That the Board of Directors approve the Minutes of the February 12, 2019, Annual Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Director
SECONDER:	Dore J. Gilbert, M.D., Director
AYES:	Janine Heft, President; Erica Pezold, Director; Dore J. Gilbert, M.D., Director; Don Sedgwick, Director; Dave Wheeler, Director

PUBLIC IMPROVEMENT CORPORATION ADJOURNMENT

There being no further business before the Public Improvement Corporation at this session, President Heft declared the meeting adjourned at 7:21 p.m.

Melissa Au-Yeung, Secretary

Approved at meeting of February 9, 2021.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: Gregory E. Simonian
City Attorney

ISSUE: Appointment of Interim City Manager and Approval of Interim City Manager Employment Agreement

RECOMMENDATION: That the City Council:

- 1) Receive an oral report providing a summary of proposed changes to the annual base salary and benefits for Kenneth H. Rosenfield, P.E., Assistant City Manager/Public Services Director/City Engineer, to serve as Interim City Manager; and,
 - 2) Appoint Assistant City Manager/Public Services Director/City Engineer Kenneth H. Rosenfield, P.E., as Interim City Manager of the City of Laguna Hills, effective February 10, 2021, to serve at the direction and pleasure of the City Council, pursuant to Laguna Hills Municipal Code Chapter 2-08; and,
 - 3) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Appointing Kenneth H. Rosenfield, P.E., as Interim City Manager of the City of Laguna Hills, and Approving and Authorizing the Mayor to Execute an Interim City Manager Employment Agreement"; and,
 - 4) Direct the City Clerk to administer the Oath of Office.
-

SUMMARY:

After 29 years of service to the City of Laguna Hills, City Manager Don White recently announced his separation from the City. The City Council and Mr. White reached an agreement to mutually separate. Mr. White's separation from employment took effect

Appointment of Interim City Manager and Approval of Interim City Manager Employment Agreement

February 9, 2021

Page 2

at the end of the day on Friday, January 22, 2021. During a Special Meeting held on Tuesday, January 19, 2021, the City Council unanimously voted to appoint Assistant City Manager/Public Services Director/City Engineer Kenneth H. Rosenfield, P.E. as the Acting City Manager, effective at 5:01 p.m., January 22, 2021, pending the negotiation and preparation of a proposed interim city manager employment contract. On January 26, 2021, the City Council appointed the City Attorney as its designated labor representative for purposes of preparing a proposed interim city manager employment contract with Mr. Rosenfield, which was directed to be presented for review and approval at a regular meeting of the City Council.

Negotiations with Mr. Rosenfield have now concluded, a tentative offer was made to Mr. Rosenfield to serve as Interim City Manager, and Mr. Rosenfield has accepted that offer. Therefore, it is now in order for the City Council to a) receive an oral report providing a summary of proposed changes to the annual base salary and benefits for Mr. Rosenfield to serve as Interim City Manager, b) appoint Mr. Rosenfield to serve as Interim City Manager, effective February 10, 2021, c) approve and authorize the Mayor to execute the proposed Interim City Manager Employment Agreement and adopt the proposed Resolution as set forth in Attachment "a", and d) direct that the Oath of Office be administered.

BACKGROUND:

Don White's last day of employment with the City was Friday, January 22, 2021. On Tuesday, January 19, 2021, the City Council unanimously voted to appoint Assistant City Manager/Public Services/City Engineer Director Kenneth H. Rosenfield, P.E. as the Acting City Manager, pending negotiation and approval of a proposed Interim City Manager Employment Agreement. As directed by Council, labor negotiations with Mr. Rosenfield commenced in order to prepare a proposed interim city manager employment contract whereby Mr. Rosenfield will serve as Interim City Manager in addition to continuing to serve as Assistant City Manager/Public Services Director/City Engineer. A tentative offer to serve in this capacity has been made and Mr. Rosenfield has accepted that offer. Under the proposed engagement, Mr. Rosenfield would perform all of the City Manager duties specified by the Laguna Hills Municipal Code, the Government Code, and any other applicable laws of the State of California and will perform the functions and duties of the City Manager and serve as the chief administrative officer of the government of the City of Laguna Hills.

Appointment of Interim City Manager and Approval of Interim City Manager Employment Agreement

February 9, 2021

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The City Attorney has now reached final agreement with Mr. Rosenfield regarding proposed terms and conditions of his continued employment with the City and appointment as Interim City Manager, subject to approval by the City Council of an employment agreement. The City Council previously directed that a proposed interim city manager employment agreement with Mr. Rosenfield be negotiated, prepared, and agendized for final review and approval by the City Council during a regular City Council meeting.

The City Attorney has prepared a proposed interim city manager employment contract pursuant to the tentative agreement reached and based on the negotiated terms and conditions tentatively agreed to by the parties. Therefore, it is now in order for the City Council to formally appoint Mr. Rosenfield to serve as Interim City Manager, effective February 10, 2021, and approve the proposed Interim City Manager Employment Agreement.

Pursuant to Government Code Section 36506, the City Council is required to establish the compensation of the Interim City Manager by Resolution, which appointed official holds office at the pleasure of the City Council. A copy of the proposed Resolution appointing Kenneth H. Rosenfield as Interim City Manager is attached hereto as **Attachment “a”**. Pursuant to Laguna Hills Municipal Code Chapter 2-08, the City Council is authorized to appoint an interim city manager and may provide for such employment by approving the proposed Interim City Manager Employment Agreement, which is attached hereto as **Exhibit “1” to Attachment “a”**.

REQUIRED ORAL REPORT:

SB 1436, which took effect on January 1, 2017, requires the governing bodies of local agencies to “orally report a summary of a recommendation” for changes in the salaries, salary schedules, or compensation paid in the form of fringe benefits of local agency executives before taking a final vote on the proposed changes. SB 1436 specifies that the summary of the recommendation must be made “during the open meeting in which the final action is to be taken.” In accordance with this State law requirement, prior to the City Council taking final action to approve the proposed employment contract, the City Attorney will make the required oral report in accordance with Government Code Section 54953(c)(3).

Appointment of Interim City Manager and Approval of Interim City Manager
Employment Agreement
February 9, 2021
Page 4

CONCLUSION:

Based on the forgoing information, it is now in order for the City Council to a) receive an oral report providing a summary of proposed changes to the annual base salary and benefits for Mr. Rosenfield to serve as Interim City Manager, b) appoint Mr. Rosenfield to serve as Interim City Manager, effective February 10, 2021, c) approve and authorize the Mayor to execute the proposed Interim City Manager Employment Agreement and adopt the proposed Resolution as set forth in Attachment "a", and d) direct that the Oath of Office be administered.

FISCAL IMPACT:

In recognition of the additional responsibilities of serving as Interim City Manager in addition to continuing to serve as the Assistant City Manager/Public Services Director and City Engineer, Mr. Rosenfield will receive a 28% increase to his current annual base salary. His annual base salary will be adjusted to \$269,000, which is the same annual base salary that was previously paid to the City's former City Manager. Additionally, Mr. Rosenfield will continue to receive the same benefits provided to other executive management employees pursuant to Resolution No. 2018-06-26-2, as may be amended, except as otherwise provided in the proposed employment contract. These benefits include, but are not limited to, health insurance (medical, dental, and vision), paid and floating holidays, supplemental retirement contribution, retiree health savings plan, group life and disability insurance, sick leave and bereavement leave. Mr. Rosenfield will continue to be enrolled in the first-tier pension formula of 2% @ 60 Program, and will continue to be responsible for paying a portion of the employee/member contribution, currently set at 5.5% of salary pursuant to Resolution No. 2020-08-25-1. As Assistant City Manager/Public Services Director/City Engineer, Mr. Rosenfield will continue to receive a \$650 monthly automobile allowance, and the City will continue to contribute into a Section 457 deferred compensation program \$10,000 per year, which is administered by the International City Management Association-Retirement Corporation (ICMA-RC), as authorized pursuant to Resolution No. 2018-06-26-2.

The attached Interim City Manager Employment Agreement details all elements of the proposed compensation plan for the interim city manager position. Total proposed annual compensation is \$362,722. As indicated above, an oral report summarizing the proposed compensation plan for the position will be made by the City Attorney during open session before final action is taken.

Appointment of Interim City Manager and Approval of Interim City Manager
Employment Agreement

February 9, 2021

Page 5

ATTACHMENTS:

- Proposed Resolution No. 2020-02-09-X Appointing Interim City Manager and Approving a Proposed Interim City Manager Employment Agreement

RESOLUTION NO. 2021-02-09-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPOINTING KENNETH H. ROSENFELD, P.E., AS INTERIM CITY MANAGER OF THE CITY OF LAGUNA HILLS, AND APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERIM CITY MANAGER EMPLOYMENT AGREEMENT

WHEREAS, after 29 years of service to the City of Laguna Hills, City Manager Don White recently announced his separation from the City. The City Council and Mr. White reached an agreement to mutually separate. Mr. White's separation from employment took effect at the end of the day on Friday, January 22, 2021; and,

WHEREAS, during a Special Meeting held on Tuesday, January 19, 2021, the City Council unanimously voted to appoint Assistant City Manager/Public Services Director/City Engineer Kenneth H. Rosenfield, P.E. as the Acting City Manager, effective at 5:01 p.m., January 22, 2021, pending the negotiation and preparation of a proposed interim city manager employment contract; and,

WHEREAS, on January 26, 2021, the City Council appointed the City Attorney as its designated labor representative for purposes of preparing a proposed interim city manager employment contract with Mr. Rosenfield, which was directed to be presented for review and approval at a regular meeting of the City Council; and,

WHEREAS, pursuant to Laguna Hills Municipal Code Chapter 2-08, the City Council now desires to appoint Kenneth H. Rosenfield, P.E., as the Interim City Manager of the City of Laguna Hills and to retain Mr. Rosenfield and establish the terms and conditions for such continued employment by approving the attached Interim City Manager Employment Agreement; and,

WHEREAS, pursuant to Government Code Section 36506, the City Council is required to establish the compensation of the Interim City Manager by Resolution, which appointed official shall hold office at the direction and pleasure of the City Council.

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

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. Kenneth H. Rosenfield, P.E., is hereby appointed Interim City Manager of the City of Laguna Hills to serve at the direction and pleasure of the City Council, effective February 10, 2021, pursuant to Laguna Hills Municipal Code Chapter 2-08.

SECTION 3. The City Council hereby approves and authorizes the Mayor to execute the Interim City Manager Employment Agreement, dated February 9, 2021, which employment agreement is attached hereto as **Exhibit "1"** and is incorporated herein by reference, with a term of office commencement date of February 10, 2021.

SECTION 4. The City Clerk is hereby directed to administer the Oath of Office.

PASSED, APPROVED, AND ADOPTED this 9th day of February 2021.

ERICA PEZOLD, MAYOR

ATTEST:

MELISSA AU-YEUNG,
DEPUTY CITY MANAGER/CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, Deputy City Manager/City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2021-02-09-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 9th day of February 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

EXHIBIT “1”

INTERIM CITY MANAGER EMPLOYMENT AGREEMENT

DATED: FEBRUARY 9, 2021

EMPLOYMENT AGREEMENT INTERIM CITY MANAGER

6.2.1.a

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into, to be effective February 10, 2021 ("Effective Date"), by and between the CITY OF LAGUNA HILLS, a California municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as "City"), and KENNETH H. ROSENFELD, an individual (hereinafter referred to as "Rosenfield" or "Interim City Manager"). City and Rosenfield are sometimes hereinafter individually referred to as "party" and are hereinafter collectively referred to as the "parties."

RECITALS

A. The City desires to retain Kenneth H. Rosenfield as the Interim City Manager in addition to continuing to serve as Assistant City Manager/ Director of Public Services/ City Engineer.

B. Kenneth H. Rosenfield desires to serve as the Interim City Manager, pending the City Council's selection of a permanent City Manager, as well as Assistant City Manager/ Director of Public Services/ City Engineer.

THEREFORE, IT IS AGREED AS FOLLOWS:

1.0: Retention

1.1.: City hereby appoints and retains Rosenfield to serve as Interim City Manager of the City of Laguna Hills and Rosenfield hereby accepts such employment with City beginning on February 10, 2021, and continuing until Interim City Manager or City Council terminates this Agreement. The Interim City Manager is employed by City in an "at-will" capacity serving at the pleasure of the City Council. Either the City Council or Interim City Manager may terminate this Agreement at any time with or without cause and in its or his sole discretion, as set forth in this Agreement.

1.2.: This Agreement shall automatically renew each month from the Effective Date unless Rosenfield or City Council terminate his employment or this Agreement prior to such renewal. At any time during the term of this Agreement, City and Interim City Manager may mutually agree to either: (1) appoint Rosenfield to the position of City Manager and enter into a new Employment Agreement at that time; or (2) return Rosenfield to the position of Assistant City Manager / Director of Public Services/ City Engineer, where he will continue to serve under the terms and conditions of the applicable personnel policies and procedures, salary and benefits resolutions, and administrative regulations, and receive the same salary and benefits that he received prior to his appointment as Interim City Manager. City also reserves the right to terminate this Agreement and Rosenfield's employment with cause as defined in Section 5.2 of this Agreement.

2.0: General Duties

Rosenfield shall serve as the Interim City Manager of the City of Laguna Hills. In that

capacity, Rosenfield shall perform all of the city manager duties specified by the Laguna Hills Municipal Code, the Government Code, and any other applicable laws of the State of California and shall perform the functions and duties as the administrative head of the government of the City of Laguna Hills.

3.0: Salary

3.1.: As compensation for the professional services to be performed hereunder including services as Interim City Manager and continued service as Assistant City Manager/ Director of Public Services/City Engineer, effective February 10, 2021, City agrees to pay Interim City Manager an annual base salary of \$269,000, subject to deductions and withholdings of any and all sums required for federal or state income tax, other deductions or withholdings required by then current state, federal or local law, and paid bi-weekly in accordance with the City's established accounting and payroll practices at the same time and in the same manner as other employees of the City are paid. The City shall also deduct from his annual base salary any applicable sums that Interim City Manager is obligated to pay because of participation in plans or programs described in Section 4.0 of this Agreement and Interim City Manager hereby authorizes such deductions.

3.2. Interim City Manager's annual base salary shall not be subject to or affected by any Cost of Living or Consumer Price Index adjustments approved by the City Council to the salaries of other Executive Management employees.

4.0: Benefits and Leaves of Absence

4.1.: Employee Benefits

Except as expressly provided for in this Agreement, Interim City Manager shall continue to receive all benefits set forth in Resolution No. 2018-06-26-2, as may be amended from time to time by the City Council, and applicable to the Assistant City Manager/ Director of Public Services, specifically, and Executive Management employees, in general. These benefits include, but are not limited to: health insurance (medical, dental, vision), holidays, supplemental retirement contribution, retiree health savings plan, group life and disability insurance, sick leave, and bereavement leave. In addition, Interim City Manager will continue to receive the benefit of a City provided mobile phone while serving under this Agreement.

4.2.: Carryover of Vacation and Sick Leave

Interim City Manager shall retain any vacation and sick leave that he has accrued as Assistant City Manager/ Director of Public Services/ City Engineer as of February 10, 2021. While serving as Interim City Manager, he shall continue to accrue vacation at the same rate as he did prior to his appointment as Interim City Manager. Any accrual caps which may exist at the time of his appointment as Interim City Manager shall also remain in place while Rosenfield serves as Interim City Manager.

4.3.: General Business Expenses

The City recognizes that Interim City Manager may incur expenses of a non-personal,

job-related nature (such as payment of dues for participation in professional organizations or fees for attending events organized by professional organizations) that are reasonably necessary to Interim City Manager's service to the City. The City agrees to either pay such expenses (supported by documentation) in advance or to reimburse the expenses, so long as the expenses are incurred and submitted according to the City's established expense reimbursement policies and procedures.

4.4.: Administrative Leave Pending an Investigation

Because Interim City Manager is an "at-will" employee, the City is not obligated to pay Interim City Manager pending an investigation into any alleged misconduct by the Interim City Manager. Notwithstanding the foregoing, in the event that the City Council determines, in its sole discretion, that it is in the best interest of the City for Interim City Manager to be placed on paid administrative leave pending such an investigation, Interim City Manager shall fully reimburse any salary provided for that purpose if the misconduct for which Interim City Manager was under investigation results in Interim City Manager being convicted of a crime involving an abuse of his office or position as defined in Section 5.2 of this Agreement. Interim City Manager shall fully reimburse such salary no later than six months after such conviction.

5.0: Termination of Agreement

5.1.: Termination by City Without Cause or For Reasons Other Than "Cause"

If City terminates this Agreement without cause or for reasons other than "cause" as defined in 5.2 below upon the vote of a majority of the total membership of the City Council in attendance at a lawfully called meeting, Rosenfield shall immediately be returned to his former position as Assistant City Manager / Director of Public Services/ City Engineer.

5.2.: Termination by City For Cause

If the City terminates this Agreement (thereby terminating Interim City Manager's employment) with cause, Interim City Manager shall not be entitled to return to his former position as Assistant City Manager / Director of Public Services/City Engineer. As used in this Agreement, "cause" shall mean any of the following:

Conviction of a felony; conviction of a misdemeanor arising out of Interim City Manager's duties or performance under this Agreement; misappropriation of public funds; willful abandonment of duties consisting of the failure to report to work for five consecutive working days (for reasons not medically related) and not notifying staff and the City Council of his leave status; a willful and intentional failure to carry out materially significant and legally constituted policy decisions of the City Council made by the City Council; any other intentional or negligent action or inaction by Interim City Manager that: (a) materially and substantially impedes or disrupts the operations of the City or its organizational units; (b) is detrimental to employees or public safety; (c) violates properly established rules or procedures of the City causing a material and substantial adverse impact on the City; or (d) has a material and substantial adverse effect on the City's interests as clearly defined and delineated by properly established City Council actions, policies, regulations, or City ordinances.

Rosenfield may resign from his employment as Interim City Manager and return to his former position of Assistant City Manager / Director of Public Services/City Engineer or terminate this Agreement (and employment with the City) at any time. Interim City Manager agrees, if practicable, to give the City Council at least thirty days advance written notice of his decision to return to his previous position or resign from employment with the City. City Council may choose to waive this thirty-day notice period and/or place Interim City Manager on paid administrative leave through the effective date of the resignation of employment with the City. The City Council's waiver of this period shall not change the Interim City Manager's resignation to a termination.

6.0: Confidentiality

Interim City Manager acknowledges that in the course of his employment contemplated herein, he will be given or will have access to confidential and proprietary documents and information relating to the City, its residents, businesses, employees, and customers ("Confidential Information"). Such Confidential Information may include, but is not limited to, all information given to or otherwise accessible to Interim City Manager that is not public information or would be exempt from public disclosure as confidential, protected, exempt, or privileged information. Interim City Manager shall hold the Confidential Information in trust for the City's benefit and shall not disclose the Confidential Information to others without the express written consent of the City. All Confidential Information shall be promptly returned to the City immediately upon the effective date of any termination or resignation.

7.0: Indemnification

7.1.: Except for an act of misappropriation of public funds, or an indictment, the filing of an information, a plea of guilty or a plea of nolo contendere for a crime involving moral turpitude, City shall defend, hold harmless and indemnify Interim City Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring within the scope of his employment as Interim City Manager, using legal counsel of the City's choosing in its sole discretion, in accordance with the provisions of California Government Code Section 825, applicable provisions of the Government Claims Act, and other applicable law. In the event there is a conflict of interest between the City and Interim City Manager in such a case such that qualified independent counsel is required for Interim City Manager, the City shall pay the reasonable fees of such qualified independent counsel, who shall be mutually chosen by the parties. City may compromise and settle any claim or suit against the Interim City Manager and pay the amount of any settlement or judgment rendered therefrom.

7.2.: In the event that the City provides funds for the legal criminal defense of the Interim City Manager, Interim City Manager shall fully reimburse said funds to the City if Interim City Manager is convicted of a crime involving an abuse of his office or position as defined in Section 5.2 of this Agreement. Interim City Manager shall fully reimburse to City such criminal legal defense fees no later than six months after such conviction.

8.0: Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between

the parties hereto with respect to the employment of by City and contains all of the covenants and agreements between the parties with respect to that employment in any manner whatsoever. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein. Any modification of this Agreement shall be effective only if it is in writing and signed by the parties.

9.0 Miscellaneous Provisions

10.1.: Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in anyway.

10.2.: Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California and all applicable City regulations, resolutions, and ordinances.

10.3.: Bonding. City shall bear the full cost of any fidelity or other bonds required of the Interim City Manager under any law or ordinance, or any insurance policies in lieu thereof.

10.4.: City's Policies and Procedures. The terms and conditions of Interim City Manager's employment, including additional employment benefits of Interim City Manager not specifically provided for in this Agreement, shall be governed by City's personnel policies and procedures, salary and benefits resolutions, and administrative regulations, to the extent not inconsistent with the provisions of this Agreement. In the event of any such inconsistency or conflict, the provisions of this Agreement shall govern.

10.5.: Enforcement. The prevailing party in any action brought to enforce this Agreement or to resolve any dispute or controversy arising under the terms and conditions hereof shall be entitled to payment of reasonable attorneys' fees and costs.

10.0: Interim City Manager's Independent Review

Rosenfield acknowledges that he has had the opportunity and has conducted an independent review of the financial and legal effects of this Agreement and has not relied upon representation of the City, its elected or appointed officers and officials, agents or employees, other than those expressly set forth in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date reflected above.

“CITY”

CITY OF LAGUNA HILLS, a California
municipal corporation

By:

ERICA PEZOLD,
Mayor

ATTEST:

MELISSA AU-YEUNG,
Assistant City Manager/City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

“INTERIM CITY MANAGER”

KENNETH H. ROSENFELD, an individual

By:

KENNETH H. ROSENFELD, P.E.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 9, 2021

TO: Mayor and Council Members

FROM: David Reynolds
Deputy City Manager

ISSUE: Establishment of a Video Messaging Program Entitled, “Mayor’s Message” - Video Online Community Messaging Program.

RECOMMENDATION: That the City Council: 1) Direct Staff to implement Option 2, as set forth in the Staff Report, for establishing a new “Mayor’s Message” - Video Online Community Messaging Program; and 2) Adopt a proposed Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Adopting City Council Policy No. 135 Regarding the Establishment of Parameters and Procedures for the ‘Mayor’s Message’ - Video Online Community Messaging Program."

SUMMARY:

At the September 8, 2020, City Council Meeting, City Council directed Staff to develop a policy and program for online community messaging from City Council Members during holidays and times of emergency. Staff conducted research by engaging other local jurisdictions on video online community messaging programs. Based on Staff’s research, there are three reasonable options to be considered for this program as described below. Based upon the information available, Staff recommends **Option 2** as described herein. Staff also recommends that the program be entitled the “Mayor’s Message” - Video Online Community Messaging Program, in which videos can be uploaded to the City’s official website and distributed through the City’s other approved social media platforms.

A proposed City Council Policy, Policy No. 135, “‘Mayor’s Message’ – Video Online Community Messaging Program,” is attached to this Staff Report to support the video messaging program as outlined in Option 2 (**Attachment “A”**). The proposed City

Council Policy would require the adoption of the attached Resolution for its enactment (**Attachment "B"**). Staff also proposes that the "Mayor's Message" - Video Online Community Messaging Program be a recurring short video that highlights important City information, such as public service announcements, scheduled public meetings, City programs and events, and holiday greetings, and that the segments be produced on an as-needed basis.

BACKGROUND:

Upon direction received from the City Council on September 8, 2020, Staff conducted research on programs utilized by other agencies to deliver online community messages by elected officials. Staff contacted multiple cities that have already established programs to deliver such online community messages. These programs primarily consist of the use of videos for online community messaging purposes.

For example, the City of Lake Forest's Management Services Department employs two staff members – a Senior Communications & Marketing Analyst and a Public Relations Specialist – to assist with the production of the "Mayor's Minute." These two staff members are responsible for creating the script, filming the video, editing and posting the video on the City's official website and other approved social media platforms.

Similarly, the City of Mission Viejo produces messages with the Mayor through their Community Relations Department via Mission Viejo Television (MVTV). MVTV is available on Cox Channel 30 and AT&T U-Verse Channel 99, and is home to popular local programming such as MVTV News, South County SportsZone, Coaches Corner with Paul J. Higgins, and live coverage of City Council meetings. MVTV also airs a variety of unique programs covering the City's special events, arts and culture, and history. Utilizing MVTV and its staff, the City of Mission Viejo films their messages with the Mayor, as well as other dignitaries, staff, and residents, to be viewed on MVTV, the City website, and other approved social media platforms.

MAYOR'S VIDEO MESSAGE OPTIONS:

Based on staff's research, the feedback provided by other cities, and the assessment of our own staff and resource capabilities, staff concludes there are three reasonable options for the development of online community messages. Staff recommends that the Mayor be responsible for providing the message to the public as the official spokesperson for the City. Per the proposed City Council Policy (**Attachment "A"**), staff recommends that this program be entitled the "Mayor's Message" - Video Online

Community Messaging Program.

Option 1 – Self-Recording

Under this option, the Mayor will record the video message using their own equipment (e.g., smartphone, laptop, iPad, PC, etc.) and submit the video to city staff. Since the Mayor would be using their own equipment to record a video message, there would be no staff costs for that effort. Upon receipt of the video, staff would spend time editing the message for the proposed time limit of the message as well as necessary to refine the recording. Upon completion of this effort, the video file would be uploaded and posted to the City's website and other approved social media platforms.

Staff does not recommend Option 1 because it requires the Mayor to produce the content on their own while utilizing their own equipment. The quality of the video message may be inconsistent since the Mayor may not be equipped with the necessary equipment or the technical familiarity to create the content and produce a high-quality video message. Additionally, such self-recordings can, and most likely will, lead to technical difficulties and other types of errors and/or computer coding problems that will require significant use of IT resources to troubleshoot and correct. This option would likely still require staff services for editing of the video message to comply with the proposed City Council Policy.

Option 2 – Staff Facilitated Recording Station

Under this option, city staff will set up a recording station in the City Council offices for recording messages utilizing an approved City computer. The City will need to obtain a camera and microphone for the establishment of this recording station, which will ensure high-quality video production. In addition, staff will need to purchase a tripod, cables, memory cards and lighting. The purchased equipment would be portable and would have the dual functionality to record in the office as well as offsite in order to highlight certain areas and subjects of public interest throughout the City.

The cost of the video equipment can vary depending on the quality and the features/functionality of the equipment. An estimated cost for equipment is between \$2,000 - \$4,000. Staff costs would apply to this option to provide assistance to the Mayor in the production, recording, editing, and distribution of the video message. Staff will be present for all recordings, and to operate the equipment. Staff will edit the video and submit the video to the City Manager for final approval before publication as outlined in the attached proposed City Council Policy.

The benefit of this option is that Staff will be equipped with the necessary tools to produce a high-quality and consistent video message at any time there is a need. It is Staff's opinion that it will be beneficial to the Mayor to be provided with staff assistance from the start to finish in the production of a video message, and this option is an ideal first step towards the development of a video messaging program.

Option 3 – Videographer

Under this option, the City will contract with a third-party vendor for the production of a video message. Staff has obtained order of magnitude cost estimates for the use of a videographer. Staff recommends filming multiple videos on the same visit with the videographer to minimize overall costs. For example, a one-minute video would require the videographer to be onsite for one to two hours; and thus, it may be more practical and productive to schedule a half day or full day of filming to accomplish the production of more than one video message. Estimates are provided as follows.

- Half day filming (no more than 4 hours onsite work) - \$3,000
- Full day filming (typically 8 hours onsite work) - \$7,000

These estimates include scripting, onsite filming of interviews with the Mayor, editing, project management, music license fee(s), if any, and equipment fees. All filming, editing, and delivery of final video versions will be performed by a videographer. If the City Council is interested in Option 3, then Staff will elicit specific proposals from qualified firms for third-party vendor support.

The challenge with this option is its high recurring costs. While the City Council could allocate funds in a future budget for this option, this option may be too restrictive from a scheduling perspective. Under Options 1 and 2, the Mayor has more flexibility to initiate the production of a video when a need arises (i.e., an emergency message to the public). Conversely, under Option 3, the Mayor would need to wait to schedule a filming session with the videographer when they are available.

VIDEO MESSAGING POLICY

In consideration of the options described herein, Staff drafted a proposed City Council Policy to implement **Option 2**. The proposed City Council Policy, Policy No. 135, "Mayor's Message' – Video Online Community Messaging Program," is attached to this Staff Report (**Attachment "A"**) and requires the City Council to enact it by the adoption

of the attached Resolution (**Attachment “B”**). Staff proposes that the “Mayor’s Message” - Video Online Community Messaging Program be a recurring short video narrated by the Mayor that highlights important City information, such as public service announcements, scheduled public meetings, City programs and events, and holiday greetings, and that the segments be produced on an as-needed basis.

FISCAL IMPACT:

The estimated costs for Option 1 includes staff time, similar to Option 2 staff costs highlighted below, to perform any editing work to the video and posting to the City’s social media sites.

Staff’s recommended Option 2 costs consist of: 1) A one-time initial capital cost of up to **\$4,000.00** to purchase equipment for high-quality video productions; 2) An annual operating cost of approximately **\$1,000.00** for miscellaneous production expenses and for promoting the “Mayor’s Message” - Video Online Community Messaging segments on social media, as outlined in the proposed City Council Policy; and 3) Staff time for pre-production, post-production, recording, and editing work to assist the Mayor with video production estimated at **\$200** per video segment (4.5 hours of staff time).

The estimated costs for Option 3 ranges from \$3,000 for 4 hours and up to \$7,000 for 8 hours for third party videographer support.

ATTACHMENTS:

- Attachment a - Proposed City Council Policy
- Attachment b - Resolution Adopting City Council Policy

CITY OF LAGUNA HILLS



CITY COUNCIL POLICY

**SUBJECT: "MAYOR'S MESSAGE" – VIDEO
ONLINE COMMUNITY MESSAGING
PROGRAM**

POLICY No. 135

Effective Date:

Last Revision: n/a

PURPOSE:

The "Mayor's Message" - Video Online Community Messaging Program is a recurring short video that highlights important City information, such as public service announcements, scheduled public meetings, City programs and events, and holiday greetings. The video is produced on an as-needed basis and is broadcasted on the City's official website and on approved City social media platforms. City Staff is responsible for producing the video and the Mayor is responsible for narrating the video. The video is meant to complement the communication and public outreach efforts of the City of Laguna Hills.

This City Council Policy establishes the parameters, procedures, and proper uses of the "Mayor's Message" - Video Online Community Messaging Program.

POLICY:

1. PARAMETERS

1.1. Representation

California law prohibits the use of City time, equipment, and resources for personal or political purposes. It is unlawful for any elected local officer, including any local appointee, employee, or consultant, to use or permit others to use public resources for a campaign activity, or personal or other purposes which are not authorized by law. (See, Gov't Code §8314). The City Council has previously determined that correspondence paid for with public funds must relate to actual and authentic City business and must not purport to advance or advocate a policy not previously approved by the City Council. (See, Personnel Policies and Procedures of City of Laguna Hills, Section IV - Political Activity).

City Council Policy**No. 135****“Mayor’s Message” - Video Online Community Messaging Program**

The “Mayor’s Message” - Video Online Community Messaging segments shall not benefit political campaigns nor promote a political agenda. Under no circumstances shall the segments advocate the election or defeat of a particular candidate or ballot measure. The video shall represent the actions and events of the City as a whole, not as individuals.

1.2. Content

The content in the “Mayor’s Message” - Video Online Community Messaging segments shall focus on City business or events, including, but not limited to:

- a) Public service announcements;
- b) Scheduled public meetings;
- c) City programs and events; and
- d) Holiday greetings.

1.3. Budget

A budget shall be established, approved, and adopted by the City Council for the production, posting and promotion of “Mayor’s Message” - Video Online Community Messaging segments during the City’s biennial budget preparation and approval process.

1.4. City Council Elections

The “Mayor’s Message” - Video Online Community Messaging segments shall not be produced when the Mayor is running for City Council re-election from the date of the candidate filing deadline up to the date of the municipal election or during any general or special election.

1.5. Approvals

The City Manager, or the City Manager's designee, shall have final approval authority over the proposed draft script and video recording. The City Manager has the authority to refuse broadcasting or posting of any video, or content, that is in violation of this policy, the Laguna Hills Municipal Code, or State law.

City Council Policy**No. 135****“Mayor’s Message” - Video Online Community Messaging Program**

1.6. Video Length

Each video segment should not exceed ninety (90) seconds of recording time.

1.7. Staff Resources

Pre-production and post-production work shall be limited to two and a half (2.5) hours per video segment.

2. PROCEDURE**2.1. Script Review**

The proposed content of the video script shall be prepared by City Staff, in consultation with the Mayor. The City Manager, or the City Manager's designee, shall have final approval authority on the content of the script.

2.2. Recording

The Mayor should arrive prepared and promptly at the arranged recording time to minimize impact to Staff schedules. The Mayor shall be dressed in attire appropriate to represent the City of Laguna Hills.

City Staff shall be present during the recording. While multiple “takes” may be required on occasion, the recording period shall not exceed thirty (30) minutes.

2.3. Editing

While the Mayor may provide input, City Staff shall determine the recorded segments best suited for use and shall create the final edited video. Editing time shall not exceed one and a half (1.5) hours per video segment.

City Council Policy**No. 135****“Mayor’s Message” - Video Online Community Messaging Program**

3. PROPER USE**3.1. Posting**

Once completed by City Staff and approved by the City Manager, or the City Manager's designee, the “Mayor’s Message” - Video Online Community Messaging segments will be posted to the City’s official website and to approved social media platforms on an as-needed basis in order to discuss important City information, such as public service announcements, scheduled public meetings, City programs and events, and holiday greetings.

Approved social media platforms may include, but are not limited to, Facebook, Twitter, Instagram, and YouTube. While pages and accounts controlled by others may link to the “Mayor’s Message” - Video Online Community Messaging segments, the segments shall not be directly shared with any other site or individual without prior written approval from the City Manager.

3.2. Promoted Posts

On occasion, it may be beneficial for the “Mayor’s Message” - Video Online Community Messaging segments to be “boosted” (promoted) on social media. The decision to spend advertising funds on promoting these segments shall be made by the City Manager, in consultation with the Mayor. The “Mayor’s Message” - Video Online Community Messaging segments shall not be “boosted” sixty (60) days prior to any City general or special election.

No more than \$200 may be spent promoting a “Mayor’s Message” - Video Online Community Messaging segment on social media without approval from the City Manager.

3.3. Comments on Posts

Any public comment on a posting of the “Mayor’s Message” - Video Online Community Messaging segment must comply with the City's Public Use Social Media Policy (Administrative Order No. 26). Compliance shall be determined by the City Manager, or the City Manager's designee, in consultation with the City Attorney.

City Council Policy**No. 135****“Mayor’s Message” - Video Online Community Messaging Program**

4. PENALTIES

Pursuant to California Government Code Section 53232.4, penalties for misuse of public resources may include, but are not limited to, the following:

- a) Civil penalties for misuse of public resources, pursuant to California Government Code Section 8314.
- b) Prosecution for misuse of public resources, pursuant to California Penal Code Section 424.

- - END - -

Attachment b

RESOLUTION NO. 2021-02-09-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING CITY COUNCIL POLICY NO. 135 REGARDING THE ESTABLISHMENT OF PARAMETERS AND PROCEDURES FOR THE “MAYOR’S MESSAGE” – VIDEO ONLINE COMMUNITY MESSAGING PROGRAM.

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the City Council may establish City Council Policies for providing procedures and guidelines to the City Manager for the administration, operation, and general health, safety, and welfare of the City; and,

WHEREAS, on September 8, 2020, the City Council directed City Staff to research a policy and program for video online community messaging from the Mayor that highlights important City information; and,

WHEREAS, the City Council wishes to adopt City Council Policy No. 135 to establish the parameters and procedures for a video messaging program entitled the “Mayor’s Message” – Video Online Community Messaging Program; and,

WHEREAS, the “Mayor’s Message” – Video Online Community Messaging Program is a recurring (on an as-need basis) short video that highlights important City information, such as public service announcements, scheduled public meetings, City programs and events, and holiday greetings; and,

WHEREAS, the “Mayor’s Message” - Video Online Community Messaging segments will not be produced when the Mayor is running for City Council re-election from the date of the candidate filing deadline up to the date of the municipal election or during any general or special election.

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

SECTION 1. The foregoing recitals set forth above are true and correct and are incorporated by reference herein.

SECTION 2: City Council Policy No. 135, entitled “Mayor’s Message’ – Video Online Community Messaging Program,” is hereby approved and adopted as set forth in Exhibit “A,” which is attached hereto and is incorporated herein by reference.

PASSED, APPROVED, AND ADOPTED this 9th day of February 2021.

ERICA PEZOLD, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution
No. 2021-02-09-X adopted by the City Council of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 9th day of February 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Attachment b - Resolution Adopting City Council Policy (2324 : Video Messaging)